

# FINANCIAL TIMES



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World Business Newspaper

FRIDAY JANUARY 19 1996

## IBM profits beat 1990 level after strong earnings

International Business Machines reported stronger than expected earnings for the fourth quarter and ended the year with its highest profits since 1990. Net income for the quarter, after special charges, was \$1.7bn, or \$3.60 a share - a 41 per cent increase over the same period a year ago. Louis Gerstner, chairman and chief executive, said: "Our quarterly and full-year results indicate that our fundamental strategies are working." He said IBM was focused on "completely transforming" its traditional businesses to address the market for networked computer systems. Page 21

**McDonnell Douglas project in doubt** Doubts were raised over the future of McDonnell Douglas's wide-bodied MD-11 airliner after the US defence and aerospace company recognised a shortfall in demand for the aircraft by taking a \$1.8bn fourth quarter charge. Page 22

**HSBC reveals \$42m fraud** HongKong Bank has discovered a \$42m fraud in its main branch in Jakarta. The bank gave no details of the fraud, which occurred in December and is currently under investigation by Indonesian authorities. Page 20

**Breakthrough in nuclear test ban talks** Disarmament negotiators in Geneva said "substantial progress" had been made towards agreeing a landmark nuclear test ban treaty within the next six months. Page 4

**Hopes for deal on German jobs** German engineering employers and the IG Metall trade union appeared to be edging towards a compromise over union demands that industry should take on up to 300,000 extra workers in exchange for workers agreeing to wage restraint. Page 3

**Scania signs bus deal with China** Scania, the Swedish truck maker, said it had signed a joint venture agreement to build buses in China and was considering a similar move into truck production. Page 4

**Doctor's book on Mitterrand withdrawn** The family of former French President Francois Mitterrand, who died this month, succeeded in its efforts to have withdrawn from sale a book published by one of his long-serving doctors. Page 3

**Dispute over fighter project resolved** Germany and Britain have resolved their dispute over the allocation of work on producing the formation £22bn (\$49bn) Eurofighter, clearing the way for manufacturing the aircraft. Page 2

**US may appeal against petrol ruling** The US is considering an appeal against a World Trade Organisation dispute panel judgment that US regulations on cleaner petrol discriminate against imports. Page 4

**Apple shares drop sharply** Apple Computer shares dropped sharply as Wall Street analysts downgraded the stock in the wake of the US personal computer company's first fiscal quarter losses. Page 22; Lex, Page 20

**Anglo American may cut 10,000 jobs** Anglo American Corporation warned that 10,000 mining jobs in South Africa were at risk unless there were significant improvements in costs and productivity. Page 26; World Stocks, Page 40

**Pool player dies** Rudolf Wanderone, the sharp shooting New York pool player known as Minnesota Fats and portrayed in the movie *The Hustler*, died of heart failure, aged 82. He could play with either hand and was known for wearing \$100 bills in the handkerchief pocket of his jacket.



**Nine killed in fire at German hostel** Police detained two men after a fire in which nine people died and more than 50 were injured at a foreigners' hostel (above) in the north German port city of Lübeck. Most of the residents were asylum seekers or ethnic German immigrants and prosecutors investigating the cause of the blaze have not ruled out arson. Page 2

STOCK MARKET INDICES		GOLD	
New York Composite	5083.16 (+16.28)	New York Comex	337.8 (400.0)
Dow Jones Ind Ar	5083.16 (+16.28)	London	337.76 (338.25)
NASDAQ Composite	1081.08 (+3.55)		
Europe and Far East	1561.05 (+5.94)	DOLLAR	
CAC40	2380.00 (+3.65)	New York Composite	1.2215
DAX	3748.7 (+4.5)	DM	1.4728
FT-SE 100	3748.7 (+4.5)	FF	5.0328
Nikkei	20,270.04 (+200.22)	SP	1.1885
		Y	105.675
US LUNGTIME RATES		STERLING	
Federal Funds	5.1%	DM	2.2364 (22419)
3-mth Treasury Bill	5.055%		
Long Bond	7.12%		
Yield	5.957%		
OTHER RATES		NORTH SEA OIL (Average)	
3-mo Interbank	6.5%	Brent 15-day (Bar)	\$17.26 (16.86)
10 yr Bill	7.08%		
10 yr OAT	7.18%		
Germany 10 yr Bond	7.18%		
Japan 10 yr JGB	7.18%		

CURRENCY EXCHANGE RATES	
Austria	136.07
Belgium	136.07
Denmark	136.07
France	136.07
Germany	136.07
Italy	136.07
Japan	136.07
Netherlands	136.07
Spain	136.07
Sweden	136.07
Switzerland	136.07
UK	136.07
US	136.07

## Yeltsin warns of further attacks against Chechens as ship hijack continues

# Russia claims victory over rebels

By John Barham in Ankara and John Thornhill in Moscow

Russia will strike again against Chechen rebels to eliminate terrorism, President Boris Yeltsin warned yesterday after claiming victory in the nine-day hostage crisis in the southern Russian village of Pervomayskoye.

Mr Yeltsin said 83 of the 100 hostages held by the Chechen fighters had been freed, although there was no independent confirmation of these figures. Russian security forces said they had found the bodies of 153 Chechen rebels in the village and had captured a further 28 separatists.

Meanwhile, about 10 Turkish hijackers who sympathise with the Chechen independence movement continued to hold 308 passengers and crew hostage on the Black Sea ferry Avrasya. The Turkish government said it would not allow the vessel to dock at Istanbul, where the hijackers had planned to make a public statement.

The seizure of the ferry continued to strain relations between Russia and Turkey. Mrs Tansu Ciller, the Turkish prime minister, said the Russian government was being kept informed, but she criticised Moscow's handling of the Chechen crisis.

"We feel that what is happening [on board the Avrasya] relates to what is happening in Chechnya. It would not have happened if Chechnya had been handled well," Mrs Ciller said. The Russian government also came under renewed fire in the country's parliament for its handling of the hostage crisis and its failure to reach a political settlement with Chechnya. A group of liberal parliamentary deputies demanded the resignation of Mr Mikhail Barsukov, head of the Federal Security Service, who ordered the artillery bombardment of Pervomayskoye after 26 Russian soldiers had been killed attempting to storm the town.

In a rare intervention in secular politics, Russian Orthodox church leaders urged Mr Yeltsin to end the conflict in the Caucasus which they said had turned into a war against the Chechen people. "The bloodshed must be stopped and our sons and brothers must no longer be sent to die," the church leaders said in a letter to the president.

But Mr Yeltsin appeared in an uncompromising mood yesterday and said security forces had taught Chechen separatists a lesson. "All the benefits have been destroyed unless some of them are hiding underground," he said. Russia would deliver more blows against the forces of rebel Chechen leader Dzhokhar Dudaev to eliminate terrorism on Russian soil, Mr Yeltsin warned.

The whereabouts of Mr Salman Raduyev, who led the initial Chechen raid on Kizlyar, in Dagestan, which sparked the hostage crisis, are not known. But he may have escaped when Chechen forces tried to break out of Pervomayskoye on Wednesday night. The Avrasya ferry stopped, briefly yesterday about nine miles off the Turkish coast close to Eregh yesterday, but the hijackers did not release two injured men and a pregnant woman as expected. Earlier they had promised to release their 45 Turkish hostages before blowing up the ship.

Mrs Ciller warned the ship would not be allowed into Istanbul's narrow Bosphorus straits. "That cannot be allowed. It is against our legal codes."



A wounded hostage who escaped from the besieged village of Pervomayskoye is helped by a Russian militiaman into a hospital.

Ministers' pay, Page 2

Ministers' pay, Page 2

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Ministers' pay, Page 2

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Ministers' pay, Page 2

## Daimler in last-ditch talks on Fokker deal

Schrempf moves to break deadlock over rescue of aircraft maker

Officials in the Netherlands said that Daimler-Benz's supervisory board was due to convene on Monday in Stuttgart to discuss what should be done with Fokker.

The German company refused to confirm such a meeting would take place. The Dutch government, minority shareholders in Fokker, is believed to have offered to write off F1800m in aircraft development credits as its contribution to the rescue.

But the government has refused to pledge the fresh capital Daimler-Benz wants injected into the company. From the start of Fokker's difficulties in August, the Dutch have said Daimler-Benz must put up

most of the money needed to ensure the company's future. The Germans have countered by saying they would sanction a capital increase for Fokker only if the Dutch government agreed to participate fully.

The stalemate has been caused by each side wanting to keep its own contribution to a minimum. Dutch unions were last night planning to take many of Fokker's 7,800 workers from Amsterdam to The Hague by bus today for a demonstration aimed at winning government support for the rescue.

Last year, Mr Schrempf warned he would be ready to abandon Fokker if the Dutch government failed to participate in the capital increase.

The continuing uncertainty about the prospects of a capital injection again hit Fokker's shares yesterday. The shares, among the most volatile on the Amsterdam bourse, opened down 30 per cent at F16.90, a decline of 20 per cent from Wednesday.

The Fokker crisis was sparked by figures showing that the company had run up record losses of F161m in the first six months of the year, wiping out its remaining shareholders' equity. Since then, the company has been kept afloat by short-term financial guarantees provided by Dasa.

## UK cuts interest rates for second time in five weeks

By Robert Chote, Gillian Tett and Graham Bowley in London

Mr Kenneth Clarke, the UK chancellor, cut base interest rates for the second time in five weeks yesterday, amid speculation that he had overruled the Bank of England.

Justifying the unexpected move, Mr Clarke said subdued spending in Britain's export markets had helped undermine economic growth. He added that inflationary pressures had weakened and he was confident of hitting his target of 2.5 per cent or less for the underlying rate.

But official figures showed inflation rising further above the target last month. Higher petrol duties in November's Budget pushed the headline rate from 3.1 to 3.2 per cent. The quarter-point reduction took base rates to 6.25 per cent, their lowest for a year. Rates have not fallen twice in such quick succession since the aftermath of sterling's departure

from the European exchange rate mechanism in 1992. But yesterday's cut was too small to trigger an immediate fall in home loan rates. Analysts said this would limit its political and economic impact. "We will not be making any further moves in our mortgage or savings rates for the time being," said the Halifax building society, Britain's biggest mortgage lender.

The financial markets reacted favourably. In London, the FT-SE index of 100 leading shares rose 44.5 points to a record close of 3,748.7, starting closed only slightly lower and gains gained more than half a point.

The rate cut was welcomed by business organisations. The Confederation of British Industry said it should underpin a pick-up in consumer spending and help support business confidence.

Many economists said they believed the chancellor had overruled Mr Eddie George, governor of the Bank of England, when he decided to cut rates at their meeting on Wednesday.

Last month's cut was followed by immediate confirmation that both men supported the move. But yesterday neither the Bank nor the Treasury would say whether Mr George had backed the decision. Mr Clarke will discuss the danger of a prolonged global slowdown with his fellow finance ministers from the Group of Seven leading industrial nations when they meet in Paris tomorrow. France and the Netherlands both cut interest rates yesterday. Yesterday's move was accompanied by mixed evidence on the UK economy. Unexpectedly weak retail spending figures suggested that talk of bumper pre-Christmas trade had been overdone, but that consumer purchases were back on an upward trend.

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NEWS: EUROPE

# French economy gets confidence vote



Trichet: high marks for Juppé

By David Buchan in Paris

The Bank of France yesterday sent out what it called "a message of confidence" in the government's current economic reforms and in the basic health of the economy over the medium term. It backed it up with a further interest rate cut.

The central bank lowered two key interest rates by a quarter point to bring the intervention base rate to 4.2 per cent and the "repurchase" rate to 5.6 per cent. It was its first rate cut since the end of last month's public sector strikes.

In setting out the central

bank's targets for 1996, Mr Jean-Claude Trichet, the governor, forecast the economy could grow by 2.5-3 per cent "over the medium term", and that there was "potential for a rebound in 1996".

He acknowledged the slowdown in recent months, but said confidence was justified because of "the pursuit of the reduction of public deficits, structural reforms, the solidity of the franc and progress towards monetary union".

In contrast to last year, when the governor warned the then government of Mr Edouard Balladur about the dangers of letting the budget

deficit drift, Mr Trichet appeared to give Mr Alain Juppé, the prime minister, high marks for trying to push through unpopular welfare reforms and budget cuts.

The central bank, which two years ago was made independent of the government in the setting of monetary policy, said that it aimed to contain inflation to no more than 2 per cent and to let the monetary aggregates rise by 5 per cent to allow for growth.

On the latest figures, the monetary aggregates rose last year by no more than 3.9 per cent, while inflation was well below 2 per cent.

After a meeting with Mr Trichet yesterday, several National Assembly deputies said that they thought France was running the risk of an actual deflation of prices and activity and that more should be done to boost growth.

Mr Trichet claimed the economy had "important reserves of power" on which it could draw in the form of a high average savings rate by households, the fact that companies had on average more than enough cash to finance new investment on their own, and the country's trade and current account surplus.

Mr Trichet said the Bank of

France's nine-member monetary policy council, which he chairs, believed that "the growth in confidence in the economy, notably over the medium term" should improve the climate for investment by companies and reduce the precautionary tendency of consumers to save rather than consume.

Meanwhile, the Insee statistics agency confirmed its earlier estimate that growth in the third quarter of last year had slowed to 0.2 per cent, after the same level of expansion in the second quarter and 0.7 per cent growth in the first three months of last year.

EUROPEAN NEWS DIGEST

## Belarus warns over weapons

Mr Alexander Lukashenko, the maverick president of Belarus, yesterday warned he would allow nuclear weapons to be stationed in his republic again if eastern European countries are admitted to the Nato military alliance.

"I am afraid we will have to redisplay in Belarus the nuclear weapons that were withdrawn from it" if Nato extends membership to eastern Europe, Mr Lukashenko said.

Redeployment of nuclear warheads in Belarus, which shipped the nuclear missiles on its territory to Russia after the collapse of the Soviet Union, would cause concern throughout the west and could derail the nuclear disarmament process which began in the 1980s. Mr Lukashenko, who has a reputation for making outrageous political claims, is a strong advocate of re-uniting his Slavic state with Russia and is a political ally of the anti-western hard-line faction in Moscow, some of whom advocate reunion between the two states.

Christina Freeland, Moscow

## Hungary acts to reduce debts

The Hungarian government yesterday decided to use Ft22bn (\$672m) of last year's surplus privatisation revenues to pay off part of the country's crippling state debt.

The move is a blow to trade unions and the left-wing of the ruling Socialist party, which had lobbied hard for extra financing for development and infrastructure projects.

Mr Lejos Bokros, finance minister, who masterminded last year's successful austerity package, and the central bank insisted the funds be used to reduce the national debt, which imposes a heavy interest burden on the budget.

Before yesterday's decision, Ft250bn of last year's record Ft460bn privatisation revenues had already been allocated to the 1995 and 1996 state budgets. The balance is to be used to cover expenses and debts of APV Rt, the privatisation agency.

Virginia Marsh, Budapest

## Mr Harold A Whelehan SC

On November 21 1994, I commented editorially on the fall of the Irish Government, led by Mr Albert Reynolds. This event followed a seven-month delay of the extradition process from the Republic of the paedophile priest, Brendan Smyth.

The delay in extradition took place in the office of the Attorney General, then Mr Harold A Whelehan. The Financial Times has studied the evidence of Mr Whelehan and officials of his department which was given, subsequent to our publication, to a parliamentary committee of inquiry in Dublin. We are happy on that basis to accept that Mr Whelehan had no personal knowledge of the case in question, which was dealt with by an official of his department, and was never drawn to his attention.

## Alitalia negotiations break down

Talks between Alitalia and unions on restructuring Italy's state-owned airline have broken down amid mutual recrimination. But pilots came in for the most blame in holding out for pay increases negotiated secretly last summer and subsequently rejected by new Alitalia management.

The impasse means that the government will almost certainly have to intervene, but little can be done until a new government is formed.

Yesterday Mr Michele Tedeschi, head of Iri, the state holding that owns Alitalia, warned it was impossible to relaunch the troubled national carrier with fresh capital without a trace on the labour front.

Alitalia, which lost L137bn (\$125m) in the first half of 1995, has debts of L3,553bn and is reckoned to need a capital injection of L1,500bn. Debt-ridden Iri would be hard-pressed to provide this, while direct state aid risks falling foul of EU competition policy rules.

Robert Graham, Rome

## De Beers talks with Russia

The Russian government and De Beers agreed this week to extend their diamond-selling agreement until March 1, but have not yet reached a new long-term deal regulating their relationship.

In 1990, Moscow and De Beers signed a five-year pact giving De Beers the exclusive right to purchase 95 per cent of the rough diamonds exported by Russia. But that agreement expired last month and, despite several rounds of negotiations, Russia and De Beers have failed to agree on a new arrangement.

According to the Russian news agency Interfax, additional talks are due to be held over the next few weeks.

If De Beers, which controls more than 80 per cent of the world market in rough diamonds, fails to reach an agreement with Russia the shape of the global diamond industry would be seriously altered.

Christina Freeland, Moscow

## Azerbaijan agrees oil transit

Russia and Azerbaijan yesterday signed a long-awaited oil transit agreement, viewed as an essential step for developing the massive oil resources lying under the Caspian Sea.

Delay in signing the agreement, which had been finalised last autumn, was causing concern among members of an international consortium which is exploiting the Caspian Sea oilfields. The signatories blamed the delay purely on "technical problems".

The Azeri government has guaranteed that at least 5m tonnes of oil a year will flow through the Russian pipeline system by the year 2002 for export on to world markets. The oil will flow through an existing pipeline infrastructure, which runs from the Azeri capital of Baku through the troubled region of Chechnya to the Russian Black Sea port of Novorossiysk.

Mr Valery Chernomyr, the president of Transneft, the Russian pipeline operator, said this route was the best option. But concerns about the political instability in Chechnya have ensured other outlets are being developed for Caspian oil, via Georgia and Turkey.

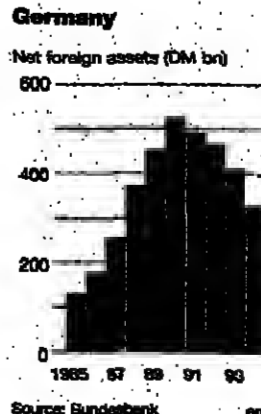
John Thornhill, Moscow

ECONOMIC WATCH

## German foreign assets fall

Germany's net foreign assets - held by companies, banks, individuals and the public sector - have fallen sharply in recent years to DM246bn (\$168bn) in mid-1995 as a result of current account deficits and the rising D-Mark, the Bundesbank said. This compared with DM495bn at the end of 1991. Germany has the world's second largest net foreign asset total after Japan's \$688bn at end-1994, while the US had net liabilities of \$631bn, reflecting its high current account deficits. The Bundesbank said DM122bn (60 per cent) of the fall in Germany's net external asset figure since 1991 was caused by current account deficits. The rest was due to valuation changes over the last year-and-a-half through the D-Mark, mainly against the dollar.

The gross foreign asset total rose by DM564m to DM2,301bn after 1991, one reason being the introduction of a withholding tax in 1993 that led domestic investors to send funds abroad. This was offset by gross liabilities of DM2,017bn, up by DM778bn over the period. The fact that nearly 80 per cent of these were in D-Marks showed foreign investors' confidence in the German economy, the bank said. Andrew Fisher, Frankfurt



## Dispute over fighter project resolved

By Bernard Gray, Defence Correspondent

Germany and Britain have resolved their dispute over the allocation of work on producing the four-nation €32bn (\$49bn) Eurofighter, clearing the way for manufacturing the aircraft. An agreement establishing production lines and tooling is likely by the summer.

At a meeting in Britain's defence ministry yesterday Mr Jörg Schönbohm, the German armaments secretary, and Mr James Arbutnot, the UK procurement minister, agreed that Germany would increase its order for Eurofighters to 180 from 140, while Britain would buy 230 of the aircraft, rather than its initial proposal of 250.

Under the terms of the memorandum governing the project (which also includes Italy and Spain), this allows Germany to secure 30 per cent of the work, the minimum it regards as acceptable.

Britain will have about 38 per cent.

Both ministers said that the deal, which had to be ratified by the German parliament, effectively closed the dispute over work shares, which has been running for a year.

"This resolves the issue of work share and provides a firm basis for industry and the four partners to plan the future stages of the Eurofighter project," they said in a joint statement yesterday.

Mr Schönbohm's confidence in announcing the work share issue settled suggests that the government believes the increased numbers will not be blocked by parliament.

The companies involved, primarily British Aerospace, Daimler-Benz Aerospace (Dasa), Alenia and Casa, will now be asked for final costings on production of the aircraft, with the essentially fixed-price production terms to be included in the production contract.

Provided the costings are acceptable, there are now no barriers to making the aircraft, which has been dogged by dispute and controversy since Germany threatened to withdraw in 1992.

Flight testing continues, and the manufacturers are particularly pleased with the progress of the third prototype DA3, which is the first to fly with the new EJ200 engine.

While Britain is cutting its initial order, reduced numbers elsewhere mean that its work share will rise from 33 per cent to 38 per cent, which is worth an extra £1bn to British industry. If Britain eventually decides to replace its Harrier GR7 attack aircraft with Eurofighters, it could order up to 70 more.

## Greek party puts its faith in moderniser

Kerin Hope profiles the man set to take over from Papandreou

In a country of colourful politicians, Mr Costas Simitis, Greece's prime minister-elect, stands out by being ordinary.

After resigning last September as industry minister over a botched attempt to privatise the country's largest shipyard, he went back to his second career, teaching law at the Pantheon university in Athens. There, he produced the latest in a series of books on modernising Greece.

His moderate views, and a track record of smoothing Greece's often stormy relations with Brussels in the 1980s, were instrumental in Mr Simitis's emergence as the leader of the pro-European faction of the governing Panhellenic Socialist Movement (Pasok).

Nonetheless, his political pedigree has the stamp of Pasok's radical origins.

In an effort to shed his "dull and boring" image before yesterday's parliamentary vote, Mr Simitis reminded an interviewer of his membership of a leftwing group which staged bomb attacks around Athens during the colonels' dictatorship in the early 1970s.

After months in hiding, he fled to Germany, where he became prominent in the Panhellenic Liberation Movement, the forerunner of Pasok, while teaching at Konstanz university.

Mr Simitis's background in what the Socialists called Greece's "national liberation struggle" against the junta will be an asset in the next few months as he tries to assert control over Pasok.

He will be a political hostage to the party until he is elected its leader in succession to Mr Andreas Papandreou at a special congress, due to be held in June. Mr Simitis will need help from Mr Akis Tsochatzopoulos, runner-up in yesterday's vote, to rebuild bridges with influential Pasok members loyal to Mr Papandreou.

The loyalists are still angry with Mr Simitis over his campaign last year, with other prominent party rebels, to force the ailing prime minister into retirement.

When Pasok first came to power in 1981, Mr Simitis earned a reputation as a troublemaker by renegotiating Greece's relationship with Brussels.

Mr Papandreou had threatened to take Greece out of what was then the European Community, but allowed Mr Simitis to shore up relations after it became clear that continued membership would bring cash benefits equivalent to around 2 per cent of gross domestic product yearly.

Mr Simitis later took over as economy minister to supervise an economy stabilisation programme agreed with Brussels in return for an emergency balance of payments loan.

His reputation soared after he resigned his portfolio in 1986 in protest at Mr Papandreou's insistence on giving public sector workers an extra pay rise, which he said would rule out any chance of meeting the 1987 inflation target.

The economy will again be Mr Simitis's priority, in particular pushing through structural reforms without which last year's progress on reducing inflation and the public sector deficit will be quickly undermined.

Privatisation, which was Mr Simitis's weak point during his time at the industry ministry, must be speeded up, together with reforms of the public



Mr Costas Simitis: A man of moderate views but with roots in Pasok's radical origins

administration, which is having difficulty in drawing down the large amounts of EU aid being made available to help poorer member states catch up with their richer partners.

Mr Simitis underlined some of Greece's problems in his speech yesterday to deputies: "Sadly, we lag behind in education, research, technology, in public administration, in strategic planning. Moreover, the civil service is incapable of putting policy into practice."

As industry minister, he proved unexpectedly reluctant about privatisation, delaying the flotation of Greece's oil refining and petroleum products group, and refusing to back a public offering of a 25 per cent stake in OTE, the state telecoms organisation.

Mr Simitis's close ties with public sector unions controlled by Pasok which opposed privatisation are blamed for his procrastination.

But union support was crucial to building his candidacy to replace Mr Papandreou.

Resistance to partial privatisation of state corporations is fading as Pasok tries to cultivate the role of the small shareholders. The scale of planned flotations has been cut back - only 10 per cent of OTE will be offered for sale through the Athens stock exchange later this year - and shares will be offered at a discount to thousands of employees and pensioners.

But, given the scale of Greece's economic and administrative problems, there will be no margin for Mr Simitis to give way to indecisiveness, the most frequent criticism levelled against him by political colleagues and Greek businessmen.

One colleague said: "Unlike Mr Papandreou, the new prime minister will work through consensus. That means the rest of the cabinet must wake up and start pulling their weight."

## Nine die in Lübeck hostel blaze

By Judy Dempsey in Berlin

Nine asylum seekers, including three children, died and 35 people were seriously injured yesterday when a fire swept through a hostel for foreigners in the northern German city of Lübeck.

Mr Michael Böckenbauer, the city's public prosecutor, said the fire started simultaneously in several places, indicating arson. If arson is confirmed, it will be the worst attack on foreigners in Germany's post-war history.

Police would not confirm if the fire was arson but they detained three young men who were seen getting into a car near the hostel 10 minutes after the fire started.

The hostel had provided a refuge for asylum seekers from Syria, Lebanon, Zaire and Togo, as well as ethnic Germans from Russia and other CIS states. Many had tried to jump from the upper floors as the fire spread rapidly through the building, it was still smouldering by lunchtime yesterday.

Inhabitants of Lübeck were stunned by the incident. "If this is arson, there's no end to it," a shopkeeper said. "People have tried to burn the synagogue twice over the past two years." The firebombings of the synagogue were the first since the Nazi era.

Officials from Germany's Commission for Foreigners, a government-backed department which monitors attacks on them, and has sought ways to speed integration of Germany's 6m foreigners, said it feared the worst. "We don't want to comment yet. We don't know if extremists killed these people," one said.

Eight-wing extremists have killed 15 foreigners since 1991. The worst case was a 1993 firebombing in the west German town of Solingen; five Turkish women and children died.

## France's suburb of shame urges jobs plan

Andrew Jack reports on a high-rise ghetto where urban renewal initiatives have come and gone

Rows of high-rise blocks dominate the skyline of Lyons, signalling the presence of one of the more troubled suburbs to be targeted in the French government's latest urban initiative.

Minguettes, part of the municipality of Vénissieux, came to national prominence as a synonym for dissatisfaction during the "hot summers" of 1981 and 1983 when it was the scene of violent rioting.

The incidence of crime is high, as are other social problems such as drug abuse and educational failure. Nearly a quarter of the population are classified as immigrants, more than one third are under 19, and more than 22 per cent live in households numbering more than five people.

Yesterday, those most closely involved with the community problems gave a muted response to the govern-

ment's Fr5bn (\$1bn) urban regeneration scheme. Community workers were sceptical about whether the range of measures announced by Mr Alain Juppé, the prime minister, in Marseilles, were substantial enough to improve the outlook for young people, and warned that if they did not, the level of frustration would grow.

Mr André Gerin, the Communist mayor of Vénissieux, who has seen innumerable urban policy initiatives in the past, gave the package a cautious welcome but feared it would be far too limited to have much effect. "It is the mountain that gave birth to a mouse," he says. He compared the Fr5bn in the package - some of it in tax forgone rather than in new

money - to the Fr750bn spent on rescuing Crédit Lyonnais, the bank.

The signs of how limited opportunities are for local people are clear in Minguettes. There are few businesses, and many shops and other facilities have closed.

The concrete tower blocks in which most of Minguettes' 35,000 people live are showing their age - 62 were built in the rapid expansion of the late 1960s and early 1970s, of which 52 remain. In late 1994, the town demolished 10 which had been derelict for a decade, the worst examples of poor construction and subsequent neglect.

Many of those working in the community have little doubt about the main problem.

"It's true you can strengthen the social fabric, but the first condition for success is jobs," says Mr Claude Poltier, head of a local training association for school drop-outs. "Employment is most important."

Even official figures put the local unemployment rate at 22 per cent, nearly twice the national average. Mr Gerin says youth unemployment is near 40 per cent. "People here feel a sense of emptiness about the future," he says. "They have the feeling of being abandoned."

Mr Gerin won re-election in the municipal race last summer, maintaining uninterrupted control of the town hall by the Communist party since 1986.

But there was also a sharp

## Polish leader says spy row may force poll

By Lionel Barber and Anthony Robinson in Brussels

Polish voters could face the dissolution of parliament and early general elections if the political crisis over prime minister Jozef Oleksy's alleged links with the KGB is not resolved, President Alexander Kwasniewski warned yesterday.

Speaking after two days of talks with senior Nato and European Union officials, Mr Kwasniewski underlined Poland's commitment to democracy and its hope that talks on entry to the European Union could be completed by the turn of the century.

Mr Kwasniewski said he hoped the specific allegations facing Mr Oleksy would be cleared up before the end of the month by the special parliamentary committee set up to evaluate

the evidence. He played down the significance of Mr Oleksy's admitted contacts and friendship with a KGB agent.

"It's crazy to complain of meetings between politicians and diplomats. That's part of their job. I've met a lot of diplomats from many countries in public life. I'm sure a lot of them were spies. But I never asked whether they were CIA, KGB, Mossad or the Belgian secret service. That was a risk I took," he added. Mr Kwasniewski also sought to minimise the significance of the latest Polish press reports of clandestine KGB funding for the Polish Socialist Democratic party, the re-born former communist party led by Mr Kwasniewski himself.

"In a democracy with a free press it is easy to make such allegations but more difficult to establish the truth," he said. "The important thing is to resolve such

questions openly and through legal channels," he added.

The same principle applied to the party manoeuvres aimed at forming an alternative coalition. "The present government has a strong majority in parliament. If somebody wants to change this, the democratic way is to call new elections. I am not in favour of this. We should be tackling real problems, like reform of the social security system. But, if necessary, we should go ahead and not waste time," he said.

Mr Kwasniewski's decision to press on with his post-election swing through the capitals of western Europe despite the domestic crisis reflects the priorities of his presidency - ensuring the quickest possible entry to European institutions. Poland recognises Nato as "the core of a new European security architecture" and wants to join along-

side countries such as Hungary and the Czech Republic so as to be fully involved in drawing it up, he said.

He also underlined the importance of keeping Russia involved and informed. "While Nato enlargement is necessary, it must be done with Russia in mind and not against Russia." Both Nato and the former Warsaw pact countries still had many people who thought in the old confrontational stereotypes of cold war days. "So Nato also needs reform and the first sign of qualitative change would come with the entry of the first former Warsaw pact state," he added.

In March he goes to Moscow to explain Poland's attitude to Nato enlargement to Mr Boris Yeltsin, the Russian president, whose recent re-appointment of hardliners from the former regime has reinforced nervousness about future stability in the region.

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# Hopes for deal on German jobs

By Wolfgang Münchey  
in Düsseldorf

German engineering employers and the IG Metall trade union appeared yesterday to be edging towards a compromise over union demands that industry take on up to 330,000 extra workers in exchange for workers agreeing to wage restraint.

Negotiations between IG Metall and Gesamtmetall, the federation of German engineering employers, remain well short of a breakthrough.

But both sides signalled for the first time yesterday that they were ready to make significant concessions to reach a deal over the "an alliance for jobs" proposal - one of the most wide-ranging job initia-

tives ever proposed by a German trade union.

Yesterday's interim agreement is an important development ahead of next week's talks in Bonn between the union and employers' federations and Chancellor Helmut Kohl.

The atmosphere yesterday contrasted sharply with the first meeting, held near Frankfurt last week, when both sides walked out refusing to compromise on virtually anything.

Mr Klaus Zwickel, president of IG Metall, said yesterday's meeting had "closed some of the gaps, although we are still not agreed on the key issue of overtime".

IG Metall is proposing that the amount of overtime cur-

rently worked in a plant should be the principal factor in deciding how many new jobs are to be created.

Gesamtmetall remained sceptical yesterday on whether all overtime could be converted into jobs, although it appeared to be softening its position over whether its members should eventually accept binding rules to cut overtime and hire more workers - previously, it had insisted that overtime cuts should be voluntary.

In return, IG Metall said it would agree to several provisions for improved labour market flexibility. Specifically it agreed to a special low wage band for hiring the long-term unemployed.

The union also appears to

have accepted employer demands to extend the maximum duration of fixed-term work contracts from 18 months to two years, and to allow such contracts to be renewed.

Gesamtmetall also gained union acceptance of proposed measures to allow companies to use their workforce more flexibly throughout the week.

Gesamtmetall has shifted its position on the overtime issue since the start of the year, when it said cuts in overtime would not help create jobs. Later it offered to restrict overtime to 18 hours a month.

Yesterday, Mr Hans Joachim Gottschal, president of Gesamtmetall, said he would offer a compromise of "somewhere between 16 and zero". He said

he expected difficult negotiations over the figure, but appeared less concerned over whether an eventual agreement should be obligatory.

The second point of disagreement is a demand by Gesamtmetall to allow individual companies to reach temporary plant level agreement with workers for lower pay in exchange for job guarantees. IG Metall fears that such a provision would open up the possibility of abuse.

Gesamtmetall said it now needed to consult its members before agreeing to another round of talks. Once a compromise is reached the two sides will appoint an independent expert group which will work out details and numbers.

# Doctor's book on Mitterrand withdrawn

By Andrew Jack in Paris

The family of former French President François Mitterrand yesterday succeeded in its efforts to have a book published by one of his long-serving doctors withdrawn from sale.

A Paris court ruled that "The Great Secret" written by Dr Claude Gabler and published by Plon, should be removed from bookshelves the day after it went on sale.

The book alleged that Mr Mitterrand had been diagnosed with prostate cancer from 1981, at the start of his 14-year presidential term, and that therefore all the regular health bulletins issued since that time had been false.

At least equally controversially, Dr Gabler, who was one of Mr Mitterrand's doctors from 1981 until 1994, claimed that Mr Mitterrand was so obsessed with his illness from November 1994 that he was no longer in a position to govern the country.

Mr Mitterrand's family argued that his book represented "a particularly serious intrusion" into the details of his private life.

Separately, Dr Gabler was interviewed during the afternoon by the judicial police in connection with a preliminary inquiry opened by the Paris public prosecutor into breach of professional secrecy.

Despite the action of the court, which imposed a fine of FF1,000 (\$202) against each future sale of the book, preliminary figures suggested that sales of his book had already reached 40,000 ahead of the ban.

Dr Gabler's revelations have divided the country, with some annoyed by Mr Mitterrand's apparent descent, while a substantial body of opinion criticised Dr Gabler for breaking medical secrets and disgracing his profession.

The family of Mr Mitterrand has also objected to the publication in the magazine Paris Match earlier this week of two photographs of the late president on his deathbed last week.

# Ministers may go to back of the pay queue

By Christia Freeland in Moscow

The Russian leadership, struggling to respond to Communist charges that it has impoverished ordinary people while enriching a small elite, may introduce a decree holding back the salaries of cabinet ministers until all other government employees have received their wages.

The populist proposal is part of the public campaign the Kremlin launched this week in an apparent attempt to distance itself from last year's austerity programme and increase popularity ahead of June presidential elections.

The economic policy shift has already taken one prominent victim, Mr Anatoly Chubais, the economic reformer who was sacked from his post as deputy prime minister this week, and many analysts view the move as a sign that President Boris Yeltsin plans to run for re-election.

Mr Victor Chernomyrdin, prime minister, said yesterday that a draft presidential decree had been prepared which would put cabinet ministers at the back of a queue of millions of state employees on pay day.

Over the past year Moscow's tough inflation-fighting economic programme has brought delays of several months in the payment of wages to school teachers, doctors, soldiers and blue-collar workers.

This helped propel the Communists into first place in December parliamentary elections and this week Mr Yeltsin told the government to "take urgent measures" to ensure all wages and pensions were paid on time.

Western financial institutions and investors are concerned about the apparent shift in economic priorities, fearing it could trigger a massive increase in public spending which would bring high inflation and weaken the rouble.

But Communist leaders have welcomed the trend, saying that Mr Yeltsin is adopting their economic agenda.



Chernomyrdin: pay queue

"We see that the government and the president are implementing our policies," said Mr Gennady Seleznev, a senior Communist politician who was elected speaker of the parliament this week. "They [current Russian leaders] say they are not listening to us, but in actual practice, they are."

In particular, Mr Seleznev congratulated the Kremlin for sacking Mr Chubais, whom he described as "the most odious figure" in the government, and supported the president's new emphasis on social welfare spending.

But the real test of how sharply Mr Yeltsin plans to alter his economic course will be his choice of a successor for Mr Chubais.

Mr Alexander Livshits, the president's senior economic adviser, is said to be the front-runner for the job. But some Russian observers yesterday speculated that Mr Vladimir Kadannikov, the director of the Artovos car company, which produces Ladas, was also being considered.

Mr Kadannikov represents the manufacturing sector, hit hard by the government's belt-tightening measures. He is a long-standing rival of Mr Chernomyrdin and his appointment would be seen as a blow to the moderate Chernomyrdin faction in the government.

# Tension rises ahead of Bosnia pull-out

By Paul Wood, recently in Sarajevo

Military forces from all sides in the Bosnian conflict are due to complete their withdrawal behind agreed lines by the end of today, the first crucial date in the Dayton Agreement's military annex.

But tension remains high in Sarajevo suburbs of the Bosnian capital, Sarajevo, which is due to be reunited under the Moslem-Croat federation. According to the Dayton agreement, the mainly Moslem forces of the Bosnian government could enter the Serb suburbs at the end of March.

Mr Momcilo Krajisnik, speaker of the Bosnian Serb assembly, said he feared an exodus of almost all residents from the Serb-held suburbs. He described the city as "a barrel of gunpowder".

The military commander in the Serb suburb of Grbavica, Captain Vukotir Lekovic, promised to co-operate with the French IFOR troops who will provide a transitional "security blanket".

But he could give no assurances about what would happen when Moslem police and soldiers arrived. Weapons under his command were being

Computers containing sensitive testimony on alleged human rights violations in Croatia have been stolen from the United Nations compound in Zagreb, UN officials said yesterday. Reporter reports from Zagreb. Mr Philip Arnold, information director at the sprawling UN Peace Forces headquarters in Zagreb, said the theft was a routine burglary aimed at stealing the equipment and not the data, which was believed to be also stored elsewhere. He said officials were still trying to determine exactly what information had been on computer discs when the equipment was stolen at the weekend. UN officials say about 90 per cent of the material was backed up on discs and initials rather than full names were used in the testimony.

handed over to the Bosnian Serb police.

"If I stay here when the Moslems come, I will be finished. The people are scared. Many died for this land, many children. Now we have to leave, without firing a bullet, leaving even our cemeteries."

Brigadier Andrew Cumming, IFOR's senior spokesman, talked of his "sadness" at what was happening in Sarajevo. The Bosnian capital remained a big potential problem for the peace implementation force.

IFOR commanders have appealed to the Serbs to stay in their homes. But they say they cannot interfere with the lawful free movement of civilians, one of the rights set out in Dayton, but will try to protect property in the Serb suburbs while the owners are away.

# Finnish finance minister decides to step down

Christopher Brown-Humes in Stockholm

Mr Iiro Viinanen, Finland's finance minister, said yesterday he was stepping down after five years dominated by tough austerity programmes. He has been asked to take over as chief executive of Pohjola, one of Finland's top insurance groups.

Mr Sanli Niinisto, a fellow conservative and the present justice minister, is strongly tipped to take Mr Viinanen's place, underlining the five-party coalition government's continued commitment to fiscal discipline.

Mr Viinanen, 51, came to symbolise Finland's battle to clean up its finances after it was hit by an unprecedented slump that wiped 15 per cent off gross domestic product between 1990 and 1993.

Since taking over as finance minister in 1991, he has implemented or set in train a FM50bn (\$11.4bn) programme of spending cuts, around 10 per cent of GDP.

His association with the programme meant he retained his post when a Social Democratic-led government succeeded the

previous centre-right coalition last year. The measures won the confidence of financial markets, bringing a sharp upturn in the markka and a big drop in bond yields over the last two years. They were also recognised by EuroMoney magazine, which made him its finance minister of the year in 1994.

But Mr Viinanen's critics argued that Finland paid too high a price for the austerity drive as unemployment was forced up from 3 per cent of the workforce to 20 per cent in just three years. Despite a surge in economic growth in 1994 and 1995, it remains at 17 per cent.

Mr Viinanen indicated he was anxious to step down last autumn, partly to give his successor plenty of time to settle into the job before Finland's next general elections in 1996. At that stage, it seemed he had been persuaded to stay on by Mr Paavo Lipponen, the prime minister.

Mr Viinanen made it clear yesterday that he was not leaving office because of any disagreements with government policy. A final decision on his appointment at Pohjola will be taken next week.

His association with the programme meant he retained his post when a Social Democratic-led government succeeded the

# Japan bailout plan hits further setback

By Gerard Baker in Tokyo

The Japanese government's plan to spend ¥685bn (\$6.7bn) on a bailout of collapsed housing loan companies received a further political setback yesterday when it was reported a number of former senior finance ministry officials had taken lucrative jobs with the companies at the height of their lending excesses.

The Asahi Shimbun newspaper said 12 finance ministry officials had

become presidents or chairmen at the seven mortgage lenders when they had retired from the ministry in the late 1980s. At that time, the housing lenders were beginning a wave of speculative property-related lending that faltered when land prices fell in the early 1990s.

The disclosure will increase pressure on the government to modify its unpopular bailout package. The plan has to be approved by parliament in what promises to be a stormy session

beginning next week. Opposition parties have pledged to attack the plan; some ruling coalition members are understood to have reservations about it.

Mr Ryutaro Hashimoto, the prime minister, has promised the price of approval of the bailout will be a full inquiry and strict allocation of blame among those held responsible. The news the companies were led by senior ex-bureaucrats will strengthen calls to overhaul the finance ministry's role in financial regulation.

The newspaper also disclosed new details about the links that have tied the housing lenders to Japan's leading financial institutions. Japan's largest banks founded the companies in the 1970s and many ex-bank officials still occupy senior roles. In all, 73 of the most senior 78 executives at the companies are former officials of the finance ministry, banks, stock-brokers or life insurers.

The number of bureaucrats-turned-managers fell after 1990 as the ministry belatedly clamped down on property lending by banks. However, public mistrust of financial institutions and regulators in Japan remains intense.

They are all widely blamed for creating the country's present financial crisis, of which the housing loan problem is merely the most pressing manifestation.

Opinion polls show two-thirds of the public against the bailout plan.

# China seeks to woo Jardine back to Hong Kong

By Louise Lucas in Hong Kong

Mr Lu Ping, China's top official on Hong Kong affairs, yesterday issued an indirect invitation to the Jardine group, which delisted its shares from the Hong Kong exchange at the end of 1994, to return to the territory.

In an effort to demonstrate China's commitment to freedom of movement in Hong Kong, he said: "Our policy welcomes people, including Jar-

dina's, returning to Hong Kong. If Jardina's finds Singapore is not as good as Hong Kong, we welcome the company to return to the territory."

It is barely three years since attacks from Beijing were urging Jardine to *quit xi*, a double entendre on "go west" which also means "go to hell". Mr Lu's remarks, made to a delegation of Hong Kong business chiefs, follow rumours in the market suggesting Jardine

will return to the Hong Kong bourse. However this speculation, which has helped chase up the price of stocks within

Three years ago China was urging the company to leave the colony

the group in recent weeks, has been denied by the company, at least for the near term.

Mr Neil McNamara, group corporate secretary, said Mr

Lu's comments were merely made in conversation. Hong Kong remained the key focus of Jardine business, account-

ing, together with China, for some 50-60 per cent of group profits. However, he reiterated the group's long-term hopes to see Jardine stock again

traded in Hong Kong or Shanghai.

Mr Lu, like most of his peers in the upper echelons of China's Communist party, is not given to loose talk; nor is it likely he is courting the company perceived by China to symbolise the evils of imperialism. Five of the companies in the Jardine stable quit the Hong Kong stock exchange after failing to win regulatory exemption from the colony's takeover code, in what many

# Hanoi ready to step up reabsorption of refugees

By Peter Montagnon and Jeremy Grant in Hanoi

Vietnam has cleared the names of a further 9,000 boat people for repatriation from Hong Kong over the past couple of months, as an indication it may be preparing to respond to international pressure to step up reabsorbing the 37,000 refugees in camps around Asia.

The clearances will be welcomed by British officials, who are under pressure from Beijing to repatriate all the 21,000 jing to repatriate in the Vietnamese remaining in the colony before Hong Kong is returned to Chinese rule in 1997, aid workers said. Before 1997, aid workers only 2,000 names had been cleared.

The numbers of refugees returning to Vietnam fell sharply last year, largely because of legislative proposals by two US congressmen, Mr Chris Smith and Mr Ben Gilman, which might have opened the door for settlement in the

US. But aid workers say the attention generated by the US proposals masked a slow response to the problem by Vietnam.

In all, only 3,188 Vietnamese returned home from Hong

Hanoi would prefer not to deal with China over the boat people in Hong Kong after 1997

Kong last year. This is well below the level required to complete the process by 1997, prompting worries that tension in the run-up to the handover would be worsened by Sino-British arguments about the boat people, as well as a possible widely publicised rise in forced repatriation.

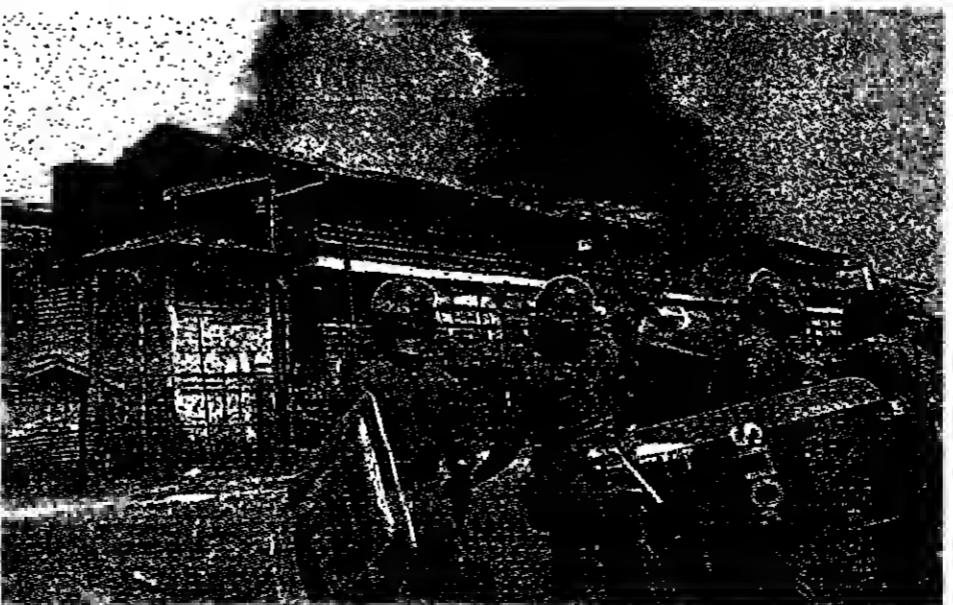
Among new factors are Vietnam's membership in the Association of South East Asian Nations, which has brought pressure from Thailand, Malaysia, Indonesia and the Philippines to take back refugees in their countries.

Some aid workers believe Vietnam would prefer to avoid having to deal with China on any refugees remaining in Hong Kong after 1997.

Pressure is likely to increase after last weekend's meeting in Bangkok of countries involved in the UN-sponsored Comprehensive Plan of Action on refugees.

But participants say the levels of repatriation may still depend on the degree to which refugees abandon hope of US settlement opportunities.

As an alternative to the Smith/Gilman plan, the Clinton administration has proposed a scheme which would involve resettlement screening of refugees by the US but only



Malaysian police opened fire and used teargas yesterday to quell a new riot at a camp holding Vietnamese boat people. Seventeen inmates were injured. Some of the 4,300 inmates torched their huts and hurled bombs at police after they tried to search the camp.

after they first travel to Vietnam. The idea has met with little enthusiasm from the authorities in Hanoi.

"The US proposal is the US's business," said Mr Dinh The Lap, director of the refugee office at the ministry of labour.

"The Vietnamese government is carrying out a policy of receiving the returnees without any discrimination."

Mr Lap declined to discuss the US proposal in detail, but aid workers say Vietnam does not want US officials

administering the scheme inside Vietnam.

It is concerned that the eligibility criteria should remain rather vague and feels it would be unfair on those who have already returned and been re-absorbed.

# Japan increases Pakistan loans

The Japanese government yesterday announced a sharp increase in official lending to Pakistan. The Japanese foreign ministry announced yesterday during a visit to Tokyo by Pakistani prime minister Benazir Bhutto that it had allocated an extra \$200m (\$150m) to finance a hydro-electric power plant in northern Pakistan.

The 30-year unfixed loan with an interest rate of 2.3 per cent brings to ¥49.8bn Japan's outstanding official loans to Pakistan. Ms Bhutto, the first foreign leader to visit Japan since its change of government last week, came under pressure from Mr Yukihiko Ikeda, the new foreign minister, to join the Nuclear Non-Proliferation Treaty. In reply, she reiterated Pakistan's position that it would join the treaty only if India signed up at the same time.

Ms Bhutto, on a mission to improve bilateral ties, is today to open a conference on investment in Pakistan, to be attended by business leaders from both countries.

Addressing a lunch with Japanese businessmen yesterday, she called for greater co-operation in computer software between the two countries.

Australian trade deficit may rise

Merchandise imports into Australia rose 4.6 per cent to A\$6.5bn (US\$1.5bn) in December, leading to fears that the monthly current account deficit could head back towards A\$2bn when export figures are released in a few weeks. The rise in imports was larger than most analysts had forecast: some had been predicting a decline. Yesterday's data was generally interpreted as further evidence the Australian economy did not slow sharply in the fourth quarter of 1995, as once feared. A poor December current account outcome would also be further reason for the Reserve Bank to hold off on any interest rate cut before the federal election, due in the first half of 1996.

Taiwan telecoms draw investors

Domestic and foreign companies are positioning themselves to enter Taiwan's fast-growing telecom market following parliamentary approval this week to liberalise it. Some of Taiwan's biggest business groups, including the foods concern, President Enterprises, Pacific Wire and Cable, the diversified Rebar group, Northern Telecom of Canada, Hong Kong Telecom and Sweden's Ericsson are seeking a role. This is despite a last-minute decision to lower the maximum foreign stake in certain domestic telecom ventures to 20 per cent from one-third. The ceiling applies to international and domestic phone services, and the China Telecommunications Corp., to be spun off from the state telecoms agency. Foreign companies expressed disappointment at the change but remain undeterred.

Indian resignations approved

Indian president Shanker Dayal Sharma has accepted the resignations of three cabinet ministers, clearing the way for the government's Central Bureau of Investigation to prosecute them in a \$18m bribery and money-laundering scandal which broke on Tuesday, only months before a general election.

Mr Madhavrao Scindia, the human resource development minister, Mr Balram Jakhar, the agriculture minister and Mr Vidya Charan Shukla, the parliamentary affairs minister, reluctantly submitted their resignations after Mr Narasimha Rao, the prime minister, hinted that they would not be protected. All three ministers claim they are innocent.

NEWS: INTERNATIONAL

# Breakthrough in nuclear test ban talks

By Frances Williams in Geneva

A landmark comprehensive nuclear test ban treaty can be agreed by the summer, disarmament negotiators said yesterday.

Mr Ludwik Dembinski of Poland, chairman of the CTBT negotiations in Geneva, said "substantial progress" had been made in the past few weeks on key aspects of the draft treaty.

"There is a political will to conclude this treaty within the next six months... I would rate the probability of success as very high," he said.

About 90 countries, including all five declared nuclear weapons states, have been negotiating for two years under the auspices of the UN disarmament conference.

The main outstanding issues are said to concern the scope of the treaty ban, the conditions

for its entry into force and the problem of on-site inspection. Non-aligned nations are also battling to secure commitments from the nuclear weapons states to future disarmament measures.

Mr Dembinski noted that four of the five declared nuclear powers - the US, France, Britain and Russia - have agreed on a "zero-yield" approach banning all nuclear explosions however small.

China is still holding out for an exception to be made for "peaceful" nuclear devices, though it has no support from other nations. Other indications suggest China may be willing to join in a consensus on a "zero-yield" ban, according to western officials.

Mr Stephen Ledogar, US disarmament ambassador in Geneva, said last October that "it appears now that all five nuclear weapons states are on

board" for a zero-yield treaty. However, China has not confirmed its support.

Elsewhere, there is apparently agreement on the technical verification regime - using a variety of detection systems - and on the principle, though not yet the details, of on-site inspection as a last resort.

Progress has also been made on institutional matters. Mr Dembinski said. Vienna has offered to host the new treaty

monitoring body, which will need to work closely with the International Atomic Energy Authority already based in the Austrian capital.

The US, Britain and Russia are observing a moratorium on nuclear testing while the negotiations proceed. France, whose latest series of nuclear tests in the Pacific has sparked international outrage, says it will conduct its last nuclear explosion next month.

# Arafat set for landslide but democracy may come second

In the back streets of the West Bank town of Nablus a group of angry young men surround two youths putting up posters calling for a boycott of the first Palestinian elections, to be held tomorrow.

The youths, associated with the Islamic Hamas movement, are quickly escorted to the police station for questioning by men claiming to be members of the increasingly notorious Palestinian Preventive Security Apparatus.

The incident is one of many in the election campaign, which ended yesterday, that could amount to a serious breach of democracy by Mr Yasser Arafat, the Palestinian leader, his dominant Fatah faction and his security forces.

Mr Arafat and Fatah appear set for a landslide victory in two separate ballots: one for president of an executive authority and the other for an 88-member legislative council.

Hundreds of foreign observers, led by the European Union, are overseeing the electoral process and will decide next week whether the elections have been free and fair.

They will have to assess a series of incidents involving Palestinian officials before polling day, including: the arrest of a prominent newspaper editor, a human rights worker and at least one opposition electoral official; the intimidation of opposition groups such as Hamas; the intervention by Mr Arafat in the internal democratic primaries of Fatah; the partiality of the Palestinian media; bribes made to opposi-

tion candidates to withdraw their nominations; and a series of decisions made by Mr Arafat about the rules and regulations of the campaign.

The observers will principally have to decide to what extent the incidents mark a determined campaign of manipulation and intimidation rather than a series of technical problems and minor incidents, many committed by local hot-heads.

"The elections are part of a larger political dynamic," said Mr Eric Bjornlund of the US-based National Democratic Institute for International Affairs, which, together with the Carter Centre, is participating in the observation process.

"From the way the elections have been conducted we will be able to forecast how democratic the society will be and the possibility for democratic governance."

Some of the worst abuses have taken place in the West Bank constituency of Saifti, where the local Fatah candidate faces stiff opposition from the former communist People's Party of Palestine, the best organised political party to be taking part after Fatah. Last week Palestinian security personnel burst into an election meeting being addressed by Mr Khamis al-Hamad, the PPP candidate, and promptly arrested his campaign manager, Mr Thamin Yusuf Badah.

Mr Badah was taken to Jericho and detained for three days. He was released without charge or explanation after the intervention of observers.

Several other people have also been arrested in Nablus and Hebron for putting up boycott posters or distributing leaflets critical of Fatah, the elections and the Israeli-Palestinian peace accords. Some are still being held.

The arrests and the intimidation of the media are probably the single biggest challenge to the democratic process. Mr Arafat's intervention in the selection of candidates is the second. The veteran Palestinian leader overturned internal primaries in Fatah and replaced many candidates chosen by the local Fatah membership with his own loyalists.

For example, in Arab east Jerusalem, Mr Hatem Eid, a local Fatah activist who won the most votes in the district, was rejected by Mr Arafat and replaced with Mr Abu Ala'a, the right-hand man who served Mr Arafat for years in exile.

Several candidates who won the internal primaries but were blacklisted by Mr Arafat decided to go ahead and run as independents. They have been threatened with serious consequences for their challenge. According to the right-wing Israeli observer group, Peace Watch, five independent candidates were also successfully bribed to drop out of the race by being given senior jobs in the Palestinian ministries.

A third issue has been access to the media by the candidates. Reporters sans Frontiers, the Paris-based group monitoring

media coverage, has alleged a "profound imbalance" in favour of Fatah and Mr Arafat.

The EU has expressed many concerns during the campaign about the arrests, changes of the electoral laws and the campaign period and the intimidation. But it says it also has to assess to what extent Israel has allowed a free and fair poll. In particular, the EU has criticised the arrest by Israeli forces of a candidate in Hebron, the denial and the delay in issuing permits to allow free movement and restrictions placed by Israel on the voting procedures in east Jerusalem.

Mr Ian Blackey, EU spokesman, said yesterday the observer mission had been impressed by the lack of any serious violence and the way Palestinian officials had reacted quickly to terminate abuses raised by the EU.

Critics say it is almost impossible for the EU to do anything other than certify the elections free and fair, albeit in a qualified manner. They say that because the EU has invested Ecu10m (£7.9m) in the observation process alone, and was responsible for the technical assistance in preparing the elections, it has too much of a vested interest in making the process a success.

The EU denies the allegation. But it knows that it must tread a thin line between the strict democratic judgments involved in election observation and the broader political picture of the Arab-Israeli peace process.



Demonstrators in the Palestinian town of Hebron yesterday calling for a boycott of tomorrow's elections

Julian Ozanne

INTERNATIONAL NEWS DIGEST

## Morocco urged to cut tariffs

Morocco has been making a significant push to liberalise its services sector, especially banking, and sell state-owned companies, but needs to revitalise the reform programme in other areas of the economy, the World Trade Organisation says in a report published yesterday.

The report is critical of high trade barriers protecting Moroccan farmers and manufacturers which it says raise costs for the important tourist industry and more advanced manufacturing activities. Despite the good results of earlier liberalisation efforts, "internal resistance and administrative and legislative delays seem to have blunted the initial enthusiasm" for reforms, the WTO says.

Agriculture, once the mainstay of the Moroccan economy, has shrunk in importance because of persistent drought, the report notes. Services now account for more than half the country's GDP.

Foreign exchange earnings from tourism already match those from farm and fish exports, which together with textiles, clothing and phosphate generate 80 per cent of Morocco's merchandise export earnings.

Frances Williams, Geneva

## Algerian party leader quits

Mr Abdelhamid Mehl, secretary general of Algeria's National Liberation Front (FLN), the former ruling party, has resigned, following criticism within his party for calling for a boycott of last November's presidential election. The boycott was largely ignored and associations that form the core of the FLN voted for Mr Liamine Zouari, the former general who won a landslide victory.

Some members of the central committee had also been uneasy about the FLN's alliance with the Islamic Salvation Front, the banned party which was set to win the 1991 elections before they were cancelled by the government, provoking four years of violence.

Foreign Staff

## Kenya and Uganda reconciled

Feuding neighbours Kenya and Uganda were publicly reconciled yesterday at border talks when their leaders pledged to work together and revive the East African economic community. President Daniel arap Moi of Kenya said economic co-operation between Uganda, Kenya and Tanzania would be of great benefit to the region's 80m people.

Relations between the Kenya and Ugandan leaders soured when President Yoweri Museveni seized power in Uganda in 1980 after a five-year bush war. They deteriorated sharply last year when Kenya accused its neighbour of harbouring Kenyan rebels. Mr Museveni angered Mr Moi in 1987 by diverting trade from road to rail, a move which saved millions of dollars but hit profits of Kenyan truck companies, many owned by politicians. The idea of a regional economic community was revived in 1993 but failed to take off because of bitter wrangling between Mr Moi and Mr Museveni, who differ both by ideology and background.

Reuters, Malaba, Kenya

## Military ruler's son dies in crash

Ibrahim Sanj Abacha, 34, the son of Nigeria's military ruler General Sanj Abacha, and 13 other people were killed when their private jet crashed in the northern city of Kano, officials said yesterday.

The crash happened on Wednesday night, five minutes before the presidential Falcon aircraft was to land in Kano. The News Agency of Nigeria said the pilot reported engine problems shortly before the crash.

AP, Lagos

NEWS: WORLD TRADE

# US may appeal against WTO ruling

By Frances Williams in Geneva

The US is considering an appeal against a World Trade Organisation dispute panel judgment that US regulations on cleaner petrol discriminate against imports.

The panel decision, the first by the WTO, upheld complaints by Venezuela and Brazil against a rule issued by the US Environmental Protection Agency (EPA) in December 1993 which sets a different standard for imported "reformulated" gasoline than for the domestically-refined version.

The WTO report, which was circulated to the three parties on Wednesday, said that while the US had every right to set its own environmental stan-

dards it was in breach of fair trade rules by treating imports less favourably.

Expressing disappointment with the decision, Mr Mickey Kantor, US trade representative, said: "We will be carefully reviewing the panel's reasoning and our legal options, and will be consulting with Congress and interested members of the public about our next steps."

Under WTO rules, the US has 60 days to appeal against the ruling once the report is circulated to all WTO members on January 29. The appellate body then has 90 days (exceptionally up to 90 days) to give its verdict, which is binding unless overturned by consensus.

The US Clean Air Act requires petrol sold in heavily polluted urban areas to contain reduced levels of toxic and smog-causing contaminants, and for petrol sold elsewhere to be no dirtier than in 1990.

However, the EPA rule, in force since January 1995, allows domestic refineries to use actual 1990 quality levels as a baseline while imports are judged by a statutory baseline reflecting average US values in that year.

Venezuela, the largest exporter of gasoline to the US, and Brazil claimed that this obliged their refineries to meet a stiffer test than many US suppliers, harming export deliveries.

After Venezuela first challenged the rule in 1994, the EPA apparently sought to equalise the treatment of imported and domestic fuel but this was refused by Congress, which saw enforcement problems in relying on overseas refinery data. From 1995, however, imported and domestic reformulated gasoline will be treated identically.

Trade officials in Geneva speculated yesterday that a US appeal was likely despite the strong legal case against it. "They will look whimsical if they don't," said one official, citing political pressures in a presidential election year from President Bill Clinton's Republican challengers as well as the vocal environmental lobby.

This first panel ruling is seen as an important test of the WTO's ability to enforce international trade rules. Under its strengthened procedures for dispute settlement, countries can no longer block rulings against them or resist implementation as they could in the General Agreement on Tariffs and Trade, the WTO's predecessor.

Despite Mr Kantor's statement that "a WTO panel or appellate body report has no force under US law", as a WTO member the US is bound by its rules and could face trade penalties for non-compliance with dispute settlement judgments.

Some 25 disputes have been brought to the WTO since its creation a year ago.

# Scania dips toe in Chinese waters

By Hugh Garnsey in Stockholm

Scania, the Swedish truck maker, said yesterday it had signed a joint venture agreement to build buses in China and was considering a similar move into truck production. The announcement reverses Scania's earlier refusal to make industrial investments in China because of rules barring foreign majority control over vehicle manufacturing.

Scania said it had agreed with the Shandong Bus Corporation, in the eastern province of Shandong, to start a 50-50 joint venture to produce up to 1,000 inter-city buses a year in the city of Liaocheng. The initial investment was \$10m.

Mr Lief Ostling, chief executive, said the equal ownership agreement, which has been backed by the provincial government but still requires approval by national authorities, gave Scania day-to-day control over the joint venture's operations under a chief executive to be appointed by Scania.

"It is vitally important to us that we find a structure which gives us that management control," he said.

Mr Ostling added that Scania was also researching investment in truck production in China, but these plans remained at an early stage. The bus company investment was "a small step into the Chinese market. The important thing is to build up experience of operating there."

Scania - the world's fifth largest and most profitable heavy truck maker - is scheduled for stock market flotation, possibly this year, by its owner, investor, the main holding company of the Wallenberg industrial empire.

Its cautious approach to China has made it one of the slowest of the main European truck makers to enter local production. But the Swedish company clearly feels it must be prepared for the longer-term potential. In 1994 it had a 5 per cent share of the Chinese heavy truck market through imports, behind its rivals Mercedes and Volvo.

WORLD TRADE NEWS DIGEST

## Foreign groups thrive in Japan

Foreign companies fared better than Japan's domestic businesses during the recession, according to a survey published yesterday.

Nearly half the foreign companies based in Japan increased their sales during the economic downturn, according to the Japan External Trade Organisation. Of a poll of 578 foreign investors, 46.7 per cent increased their sales over the past three years, while just over a fifth managed sales increases of more than 10 per cent. Japanese companies' domestic sales fell by an average of 0.8 per cent during the same period.

The foreign companies recorded an average 3 per cent pretax profit as a proportion of sales in 1993, twice as high as Japanese businesses in the same year, according to Jetro.

The survey showed a surprisingly high number of foreign companies in Japan, 37.3 per cent, were planning to hire extra staff this year. This contrasts with the recruitment freeze by many leading Japanese companies.

William Dawkins, Tokyo

## Daewoo plans \$1.2bn chip plant

Daewoo Electronics is considering building a \$1.2bn semiconductor factory in Europe. According to Electronic Times, the weekly industry newspaper, the new plant would produce custom-designed integrated circuits for the Korean group's existing European consumer electronics plants. These include a video recorder plant in Antrim, Northern Ireland and television factories in France and Poland.

Daewoo is understood to have held preliminary talks in Ireland which have secured a number of high profile semiconductor investments recently. Other potential sites are believed to include the UK.

If the new Daewoo facility is built in Europe it would be the latest in a string of new investments in the region by leading chip manufacturers which are experiencing strong demand for their products.

Paul Taylor, London

## Strong yen hits ship exports

The strong yen in the first half of last year caused a sharp fall in Japan's ship exports in 1995, although it remained the world's largest ship exporter. The Japan Ship Exporters' Association said exports fell by 18.2 per cent in the year to 8.1m gross tons. In the first few months of the year, orders declined rapidly as the yen climbed to its highest level against the US dollar since the second world war. But by the end of the year, as the yen fell back, orders had begun to rise.

Japanese shipbuilders received orders for 36 oil tankers totalling 1.25m gross tons, 47 freighters at 1.32m gross tons and 171 bulk carriers at 5.52m gross tons. It was their third largest combined order book in the last 10 years. The figures put Japan still some way ahead of South Korea, whose contracts amounted to 7.13m gross tons.

Gerrard Baker, Tokyo

## Taiwan group to build US plant

Chi Mei Industrial, a Taiwanese petrochemical company, plans to invest around \$100m to build a styrene monomer (SM) plant in the US, the company's first overseas investment. The company is reviewing sites in Texas and Louisiana for the 600,000 tonnes a year facility.

Chi Mei is the world's biggest consumer of SM. This will be its first venture to produce SM, a key ingredient in acrylonitrile butadiene styrene (ABS), used to make plastic products including casings for computers and other electronic goods. Chi Mei is the world's biggest producer of ABS, at about 2m tonnes a year or roughly 55 per cent of world production.

Laura Tyson, Taipei

# Advanced cable link for the Caribbean

By Alan Cane

Cable and Wireless is to invest \$28.3m in an optical fibre system to link Jamaica, Grand Cayman and Cayman Brac.

The system will handle 30,000 simultaneous telephone calls and provide capacity for advanced telecom services in the area, including regional and international banking, medical imaging, cable television and distance teaching.

Some \$21m of the total is being spent with Alcatel Submarine Networks, which will provide the undersea cable network. The system will incorporate the longest link in the world to operate at 2.5bn bits of information a second without using electronic boosters ("repeaters") on the seabed. It will also be laid at a depth of 6.8km through the Cayman Trench, deeper than any previous repeaterless system.

The Caribbean is one leg of C&W's development strategy. Since 1991, it has invested \$1bn in the region and plans to invest a similar amount over the next five years.

Installation will begin in August with commercial services starting in October.

# Superhighway takes to the seas

Four glass-fibre strands the thickness of a human hair will carry 600,000 simultaneous conversations around the world. Alan Cane reports

Flag: the east-west connection



Source: AT&T Submarine Systems Inc.

A \$1.5bn project to create an "information superhighway" accessible to three-quarters of the world's population has begun to take shape with the laying of the first stages of the Flag (Fibreoptic Link Around the Globe) cable system.

The cable-laying ship C S Nexus, owned by Cable & Wireless Marine of the UK, began laying the cable off Palermo, Sicily, after clearance vessels had prepared the way. Some 16 segments of cable will be installed over the next 18 months.

When completed in 1997, the cable will be the longest man-made structure, stretching 28,000km from Portofino in Cornwall, England, to Miura in Japan with landing points in Europe, the Middle East and Africa and Asia. The system is being built by a consortium of AT&T Submarine Systems of the US and KDD Submarine Cable Systems of Japan.

It will provide 120,000 high speed (64 kilobit per second) circuits in a region chronically short of telecommunications capacity. Without Flag, only 30,000 circuits would be available in the region by 1997, compared to approximately 200,000 circuits across the Atlantic and the Pacific Oceans.

Physically, Flag consists of four glass-fibre strands each about the thickness of a human hair surrounded by armour to protect it against everything from fishing gear to inquisitive sharks. It will be able to carry 600,000 conversations simultaneously.

The first few hundred kilometres of cable laid off Sicily have high symbolic significance for a project which has been several years in the planning and still faces substantial technological and financial risks. It has been funded privately by a consortium of Nynex Network Systems of the US, the project manager, Dallah-Al Baraka Group of Saudi Arabia, the Asian Investment Fund of Hong Kong, Telecom Holding Company of Thailand, Marubeni of Japan and Gulf Associates and GE Capital of the US.

Some 50 telecoms carriers from 45 countries, including AT&T and Sprint of the US and KDD of Japan, have agreed to purchase capacity on the cable. Total capacity sold is estimated at more than \$400m, although that is only a small proportion of the total capacity of the cable, which will be able to carry sophisticated traffic including medical imaging,

long-distance learning, video-conferencing, multimedia and high definition television.

In a move unusual in the telecoms cable business, carriers are not providing funding for the project and will purchase capacity only when they need it. Many of the regions it will serve currently depend on satellite transmission. Fibreoptic cable, however, provides increased security, speed, and accuracy of transmission as well as the capacity for advanced and two-way transmissions.

Technological risks include the danger of breakage underwater. The cable has a planned 25-year life and uses components no more than once in every 100m hours of use.

The cable is heavily armoured, especially near the shore where it might encounter anchors or fishing gear, and may be buried in trenches in the sea bed up to a metre deep.

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# \$600m deal agreed on US drugs price claims

By Richard Waters in New York

A group of big pharmaceutical companies has agreed in principle to pay \$600m to small retail pharmacists in the US to settle claims of price-fixing. The deal throws into question the way companies charge for their products in the world's biggest drug market.

The proposed settlement marks the culmination of a class action lawsuit concerning the drug makers' discounting practices. Retail pharmacists generally pay far more for a drug than do the large, managed care organisations which have come to dominate much of the US market.

Managed care groups have forced the pharmaceutical companies to offer discounts which are coming to be seen as a prime example of the need to fundamentally reform our civil justice system.

An executive at one US drug company said the settlement would not result in a big windfall for the 40,000 small "mom-and-pop" drug stores who stand to benefit.

# Secular 'saint' eyes Quebec breakaway

Federalist disarray means independence may be hard to stop under Bouchard, says Bernard Simon

A new era in Quebec politics is about to begin as the charismatic Mr Lucien Bouchard prepares to take over this month as premier of the French-speaking Canadian province.

In spite of Quebec's economic problems there is a growing sense that with federalists in disarray the march to independence under Mr Jacques Parizeau's successor will be difficult to stop.

Mr Parizeau has spent a long political career, including the past 16 months as premier, trying to turn Canada's French-speaking province into an independent country, but it was Mr Bouchard's drive that nearly saw separatists triumph in last year's referendum.

Earlier this week Mr Parizeau held one of his last cabinet meetings in Quebec City. Instead of devising ways to push the independence project forward, it was devoted mainly to drawing up proposals for sweeping reform of the province's bloated public sector.

Mr Bouchard, is expected to finalise the austerity plan shortly after he takes office on 23 January. Québecois are likely to be pre-occupied for at least the next few months with such issues as health, welfare and education reform, and the restructuring of local government.

But will the new emphasis on economic and fiscal issues help or hinder the independence cause?

Separatists' hopes have been buoyed by the unexpectedly tight result of last October's referendum, in which 49.4 per cent of voters backed secession. Mr Bouchard had an electrifying impact on the campaign with his pragmatic tactics and captivating oratory.

The political climate in Quebec has moved further in the secessionists' favour since the referendum. Mr Gilles Therrien, president of SOM, a Quebec City polling firm, says: "It would take major changes to deflect this trend."



Bouchard: his first concern will be the poor economic outlook

Mr Bouchard, formerly leader of the Bloc Québécois, which represents the separatist cause in the federal parliament in Ottawa, will take office with a strong hand.

Awe at his referendum performance and his rapid recovery from a near-fatal disease sealed the certifying triumph of his left leg, have left Mr Bouchard, 58, with the aura of a secular saint. No other candidate has contested the leadership of the province's ruling Parti Québécois, even though Mr Bouchard has never been active within the party.

Mr Bouchard has no shortage of problems to deal with. Québec's unemployment rate, at 11 per cent, is

well above the national average. The Montreal area, home to more than a third of Québec's 7m inhabitants, is especially depressed.

Quebec has made less progress than most of Canada's nine other provinces towards balancing its budget. Its debt-to-GDP ratio of 56 per cent is the second-highest after Newfoundland, and it expects to post a C\$4bn (US\$2.9bn) deficit in the fiscal year ending March 31.

Although Québec's A-Plus credit rating is not in immediate jeopardy, a US\$900m public bond issue floated by the government last week offered terms that would normally apply to a less creditworthy borrower.

Most Québecois are braced for tough measures, including public-sector cuts, job losses and radical changes in government structures. Mr Bouchard and his advisers are confident they can push through the austerity programme without serious political damage.

"What is popularity? It's political capital," the premier-in-waiting said in Montreal this week. "If you don't use your political capital, you will never achieve anything."

It will not all be plain sailing, however. Mr Bouchard's ability to put the economy on an even keel without jeopardising the goal of independence will depend heavily on whether he can tame two groups of separatist supporters - Québec's powerful public-sector trade unions and the PQ's strong-willed and fractious organisers.

Mr Bouchard has little experience in government apart from a brief stint as a member of former Conservative prime minister Mr Brian Mulroney's cabinet in the late 1980s. He kept a tight rein on the Bloc Québécois during his later years in Ottawa, gaining a reputation as someone who likes to have his own way.

An adviser to one cabinet minister predicts: "The heart of the PQ will do anything to get to sovereignty." But a Québec City lobbyist takes a different view, saying that Mr Bouchard's pragmatic approach may not go down well in the PQ. "There is no right-wing in the PQ," he says. "Just the middle and the left wing."

Mr Bouchard has said that he remains committed to sovereignty. But he has pledged not to call another referendum unless he is sure of winning. Last October's vote was the second defeat for the separatists - they lost by a wider margin in 1980 when voters rejected a wetted-down version of independence known as "sovereignty-association".

He has also ruled out an early election. The PQ currently holds 76 of the 125 seats in the province's Assemblée Nationale.

However, the most telling evidence of the separatists' strong position is the disarray in the federalist camp. The leadership of Mr Daniel Johnson, the opposition leader, has been questioned not only within his Liberal party but publicly by a senior federal cabinet minister.

Mr Johnson has no obvious replacement. Some federalists hope that Mr Jean Charest, youthful leader of the federal Conservative party, can be persuaded to take the reins of the Québec Liberals. Mr Charest was the only prominent federalist politician who emerged with an enhanced reputation from the referendum, but he has resisted approaches to move into provincial politics.

Mr Jean Chrétien, Canada's prime minister, has so far responded to the referendum cliff-hanger by piloting two measures through the House of Commons which, in effect, meet Québec's long-standing demands for a veto over changes in the constitution and recognition as a "distinct society". He has also agreed to transfer jurisdiction for jobs training, another Québec demand, to the provinces.

These steps were necessary to fulfil promises that Mr Chrétien made in the final, panic-stricken weeks of the referendum campaign. But they have failed to strike a responsive chord either in or outside Québec.

Many Canadians believe that a more imaginative strategy is required to persuade Québecois of the advantages of remaining part of Canada, and the risks of breaking away.

The present betting is that Mr Bouchard has his eye on the second half of 1997 for the next referendum. The pro-Canada camp is crossing its fingers that Québec's economic problems will either trip him up or, at least, keep his mind off independence. Mr Chrétien continues to project a sunny optimism that all will be well.

But there is a growing sense that the federalist side would be unwise to rely on optimism alone to keep Canada in one piece.

# Lost and found in a shoe shop: \$250m of Mexican fool's gold

By Bernard Simon in Toronto and Leslie Crawford in Mexico City

While cleaning the floor of her small shoe-repair store in a Quebec City suburb last Friday, Ms Joanne Beaudoin made an astounding discovery - five Mexican certificates of deposit with a total face value

of a quarter of a billion US dollars.

"We are millionaires," she shouted to her colleague, before taking the certificates to a bank. The manager, convinced they were real, called the police.

Her find immediately prompted an investigation in Canada and Mexico and

spawned rumours that the securities belonged to an international drug-smuggling syndicate, or to a corrupt Mexican politician trying to stash away assets in a safe foreign country.

The certificates were apparently dropped in Ms Beaudoin's shop by a United Parcel Service courier who collected

them in an envelope from a lawyer's office in the same shopping mall.

The lawyer, Mr Ramon Robert, said he received the certificates last month from a trading company in Miami as collateral for a line of credit from one of his clients. Mr Robert has refused to identify his client. The UPS

envelope containing the bonds and a covering letter have disappeared. Canadian police have no power to interrogate the principals, including the UPS courier, until they have clearer proof that a crime was committed.

Sadly for Ms Beaudoin, however, the certificates appear to be worthless. Unión de Crédito

Ecatepec, the credit co-operative which purportedly issued them, never obtained a banking licence in Mexico, according to the National Banking and Securities Commission.

Banking regulators in Mexico City said the bonds were such obvious fakes, and for such large amounts of money, they doubted whether

any investor could have been tricked into buying them.

Sgt Ronald Burns of the local police said his theory was that the bonds were part of an elaborate practical joke. But Mexican authorities suspect fraud.

Mr Jorge Nicolini, a vice-president at the National Banking and Securities Com-

mission, said yesterday he knew of about 25 similar cases, including one in which a foreigner attempted to prove his solvency with false Mexican certificates of deposit in order to buy a Paraguayan bank.

"My only reward is free publicity for the shop," said Ms Beaudoin.

### PUBLIC NOTICES

## NOTICE UNDER SECTION 11(2) OF THE ELECTRICITY ACT 1989

The Director General of Electricity Supply (hereafter referred to as "the Director") pursuant to Section 11(2) of the Electricity Act 1989 (hereafter referred to as "the Act") hereby gives notice as follows:

- He proposes to modify the conditions of the licence granted to Marweb plc under Section 6(1)(c) of the Act by inserting new Conditions 2A (restriction on activity and financial ring fencing) and 2B (availability of resources) and by amending Conditions 1 (definitions), 4 (prohibition of cross-subsidies), 5 (obligation on economic purchasing), 27 (disposal of assets) and 28 (provision of information to the Director);
- He proposes these modifications because the majority of the shares in the company holding the licence is now held by ScottishPower plc;
- In summary, the effect of the modifications is:
  - with small exceptions, to limit the licence holder's business to the supply and distribution of electricity;
  - to limit the extent to which the licence holder may hold shares in other companies within its group of companies;
  - to require the licence holder to act in a manner calculated to ensure that it has sufficient management and financial resources;
  - to require the licence holder to give an annual certificate as to the adequacy of its financial resources.

- to prevent the acquisition of its shares by ScottishPower plc from affecting the current arrangements for the preparation of regulatory accounts and avoiding cross-subsidies;
- to forbid mortgaging assets or borrowing save for limited purposes;
- to restrict transactions with other members of its group of companies except on normal commercial terms;
- to require undertakings from its holding company that other companies within the group will refrain from actions likely to cause the licence holder to breach its obligations under the Act or the licence, and that other companies in the group will give the licence holder all information necessary to enable the licence holder to comply with its obligation to give information to the Director.

A copy of the proposed modifications can be obtained (free of charge) from the Office of Electricity Regulation. Any representations or objections to the proposed modification may be made on or before 19 February 1996 to the Director at the Office of Electricity Regulation, Hagley House, 83-85 Hagley Road, Edgbaston, Birmingham B15 8QS.

TM Davis  
Authorised on behalf of the Director  
19 January 1996

## NOTICE UNDER SECTION 11(2) OF THE ELECTRICITY ACT 1989

The Director General of Electricity Supply (hereafter referred to as "the Director") pursuant to Section 11(2) of the Electricity Act 1989 (hereafter referred to as "the Act") hereby gives notice as follows:

- He proposes to modify the following conditions of the composite licence granted to ScottishPower plc under Section 6 of the Act:
  - Condition 2 of Part II (Interpretation and construction)
  - Condition 3 of Part II (Separate accounts for Separate Businesses)
  - Condition 4 of Part II (Prohibition of cross-subsidies)

Schedule 6 (Public electricity supply charge restriction conditions).

- The Director proposes to make the modifications because the licence holder now holds the majority of the shares in Marweb plc.
- The effect of the modifications will be:
  - to exclude from the definitions of its Second-Tier Supply Business and Generation Business respectively the corresponding business of Marweb plc thereby continuing the present arrangements for the provision of separate regulatory accounts;
  - to require the licence holder to produce and deliver to the Director consolidated accounts for each of

its distribution business and the distribution business of Marweb plc;

its generation business and the generation business of Marweb plc;

its supply business and the supply business of Marweb plc;

its second-tier supply business and the second-tier supply business of Marweb plc;

- To ensure that the licence holder gives no cross-subsidy to and receives no cross-subsidy from any member of the Marweb Group.

A copy of the proposed modifications can be obtained (free of charge) from the Office of Electricity Regulation. Any representations or objections to the proposed modification may be made on or before 19 February 1996 to the Deputy Director General for Scotland at the Office of Electricity Regulation, 70 West Regent Street, Glasgow G2 2DZ.

G L Sims  
Authorised on behalf of the Director General of Electricity Supply  
19 January 1996

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### Mexican president will try to advance plan for free trade agreement

## Zedillo to seek closer EU ties

By Leslie Crawford in Mexico City

President Ernesto Zedillo of Mexico begins his first state visit to Europe next week with a mission to restore his country's tarnished reputation abroad and advance plans to negotiate a free trade agreement with the European Union.

Political assassinations, a peasant guerrilla uprising and a bruising devaluation three weeks after Mr Zedillo took office in December 1994 triggered an exodus of foreign investors which led Mexico to the brink of default a year ago.

"I have been a president who has had to deal with exceptionally difficult circumstances, which required exceptionally difficult decisions, many of them unpopular in the short term," Mr Zedillo said in an interview.

However, the president said he believed the most painful part of Mexico's adjustment to capital flight had been under way since 1995, a year in which the economy contracted by 7 per cent, and that Mexico was now ready to resume growth.

"I want a closer relationship with Europe," Mr Zedillo, a 44-year-old former central banker, said. He would like to see more

European companies locating in Mexico, which offers its proximity to the US market and membership of the North American Free Trade Agreement.

He said Mexico would like to sign a similar treaty with the EU, and was waiting for Brussels to work out guidelines for negotiations. His European trip will take him to Spain, the UK and Italy.

He will also attend the international business summit in Davos, Switzerland.

At home, Mr Zedillo has had to fend off criticism against the harshness of his economic programme, and for adopting a hands-off presidential style which has cost Mexican politics dearly.

"If I knew of an economic programme that yielded better results in reducing unemployment and inflation, and restoring financial health, I would adopt it," he said. "But I am convinced the present policies will create jobs, bring about a recovery in real incomes, and attract new financial resources."

Congressmen of the ruling Institutional Revolutionary Party (PRI), worried about their sinking electoral prospects, last week handed a weighty policy document to



Zedillo: seeks to restore country's tarnished reputation

their leaders demanding that the government abandon its "neo-liberal" economic policies. The PRI deputies warned that unless the government could engineer a dramatic economic turnaround this year, they risked losing control of the National Congress in the 1997 mid-term elections.

Mr Zedillo said that he would resist political pressures to

adopt a more expansionist economic programme for Mexico.

He refused to discuss the possibility of having to govern with an opposition Congress, which the PRI has dominated since 1929. "No politician enters an election thinking he might lose," he said.

Mexicans, he said, were gradually accepting his handling of the presidency, which sought to curb authoritarian excesses of the past. He was working to achieve a better balance between the different branches of government, and had no wish to meddle in party political affairs - much to the consternation of some PRI politicians.

Mr Zedillo said he wanted political parties to hammer out new rules for electoral reform by themselves.

He studiously avoided interfering in state elections last year. When the time came to choose the next PRI presidential candidate, for elections due in the year 2000, Mr Zedillo said he would not exercise the traditional right of Mexican presidents to pick a successor.

"I will not choose my successor," Mr Zedillo said. "I am not a king, much less a high priest. I am the constitutional president of Mexico. And that is enough."

## Outlook dims for re-opening talks to solve US budget impasse

By Jurek Martin in Washington

Prospects for renewed budget negotiations appeared to dim yesterday as President Bill Clinton and Senator Bob Dole, the majority leader, again staked out sharply different positions.

Mr Clinton said he had gone "the extra mile" in meeting Republican demands he presented a budget that could be balanced in seven years. Mr Dole responded: "It was a short mile in my flight back to the White House."

The president insisted that differences had been narrowed to the point that a balanced budget agreement was "clearly within our grasp right now" and that his door remained open.

The majority leader said the Republican door was also open,

but that the president's latest budget proposals were no more than a "spend now, save later" policy. Still, he suggested that a Sunday negotiating session might be possible.

Mr Clinton again cited a long list of substantive policy differences, covering federal health insurance, education and the environment. Mr Dole countered that the president did not want to reform anything and that it was unfair for him to hold a press conference accusing the Republicans of wanting to do "terrible things" and then expect good faith negotiations to resume.

The charges and counter-charges all aired yesterday morning on TV, follow the cancellation, at the request of Republican leaders, of Wednesday's scheduled talks.

Mr Clinton said he was "discouraged" but not entirely discouraged that the Republicans had chosen to "walk away" from this session. Earlier, Mr Mike McCurry, his press secretary, had suggested that the opposition leaders had sounded "emotionally distraught".

They had demanded, in a letter to Mr Clinton, that the administration lay out new budget proposals as a pre-condition for resumed talks. The White House response yesterday was to release the president's headline budget numbers, amounting to over \$700bn worth of savings in spending over seven years, in an attempt to demonstrate how far he had gone in the Republican direction.

The most significant revelation in these was that Mr Clinton was now proposing a tax cut of as much as \$130bn, an increase from the previous net \$97bn, mostly through more capital gains tax reductions. This contrasts with the latest Republican demand for \$177bn, itself down from the \$245bn of last year's budget reconciliation bill.

Both sides appear to be struggling to win the tactical upper hand in advance of the state of the union message the president will deliver next Tuesday. Some Republicans are concerned that this occasion gives Mr Clinton a free national platform which they cannot easily match.

A second deadline for both looms a week from today when the latest temporary government funding measure expires,

صحة من الاصل

## OPEN FOR BUSINESS.

**N**obody said it was easy being the boss. And in this space, earlier in the week, we've discussed a few of the reasons why.

Like the problem of building and maintaining trust in the company.

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**T**hat's enough about us. The point of this series is not just to push the FT as an advertising medium. It's also intended as a contribution to the debate on top-level management priorities as we approach the 21st century.

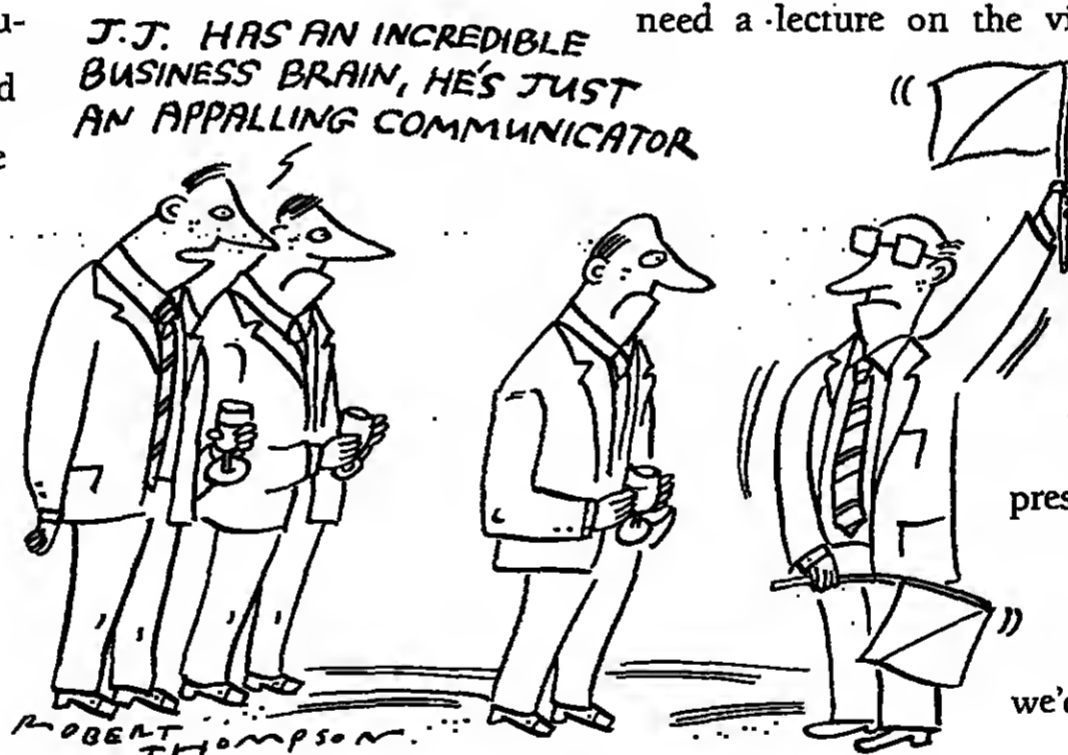
Above all, it seeks to make the case for a principled, open, communicative style of business leadership. You don't

need a lecture on the virtues of this approach: it's what effective business people have always done naturally.

But in today's increasingly frantic and complex business world, day-to-day pressures sometimes overwhelm that instinctive good sense. Which is why we thought we'd mention it.

Occasionally, it helps to have someone remind you of what you already knew, deep down, all along. After all, nobody said it was easy being the boss.

If you have any comments on the questions this series raises, or you'd like to talk about the issues of communicating the corporate message, either write to John Makinson, Managing Director, Financial Times, at 1 Southwark Bridge, London SE1 9HL or call him: on +44 171-873 3233. Fax: +44 171-873 3937. E-mail [John.Makinson@FT.com](mailto:John.Makinson@FT.com).



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This is the fifth and last of a series.

Decision to reject Steyr Daimler Puch 'may deter international entrants to competitive tendering'

Austrian company protests at army contract

By Bernard Gray, Defence Correspondent

Steyr Daimler Puch, the Austrian company which yesterday lost a £35m (\$59.8m) contract for Britain's defence ministry for battlefield ambulances to Land Rover, has claimed in a letter to the Financial Times that it had clearly won the ambulance competition. It adds that ministers overturned the decision after heavy lobbying.

such interference will damage the government's procurement process if the ministry continues to ignore the results of its own competitions. "To blatantly ignore a recommendation from the procurement department in favour of a 'Buy British' campaign will ensure that few if any companies will ever again risk the UK competitive tender system," says Mr Mawer. His claims directly contradict a written statement made yesterday to the House of Commons by Mr James Arbuthnot,

the defence procurement minister, which says the competition between Land Rover and Steyr was "particularly close". Land Rover is an offshoot of Rover group, a subsidiary of BMW, and its vehicles are made in Britain. Mr Arbuthnot announced that Land Rover had won an order for 8,000 general purpose vehicles worth about £160m, for which the Land Rover Defender was the only real option, and for 65 Steyr heavy vehicles worth £5m, which again was the only available

vehicle. The dispute centres on a need for about 750 ambulances, for which there was a choice of Land Rover or Steyr, and which has been the subject of a three-year competition. Steyr acknowledges that its ambulance was slightly more expensive than the Land Rover, but says its greater speed and reliability meant the British Army would need a smaller fleet of about 700 vehicles against 800 Land Rovers. The total acquisition cost of the fleets are therefore approximately equal, according

to Steyr, while Mr Arbuthnot said yesterday that the Land Rover had a "lower acquisition cost". Steyr claims that, judged by cost of ownership over the 15-year life of the ambulance, the test used in the competition, its fleet would be more than \$40m cheaper to own than Land Rovers. This is because Steyr's reduced number of vehicles requires fewer crew while its more reliable fleet would need less maintenance. Members of the Austrian government have expressed

disquiet about the decision, arguing that Steyr was "led up the garden path". The British ministry has frequently stressed that it would set aside its competitive policy only if strategic national capabilities were threatened. Mr Michael Portillo, the defence secretary, and Mr Arbuthnot have written letters about the ambulance contract recently, saying the competition would be "firmly based on value for money".

Letters, Page 18

UK NEWS DIGEST

Five jailed over Nigeria fraud

Five men involved in the London end of a Nigerian-based £1.3m (\$2.0m) fraud were sentenced yesterday to a total of 30 years in jail. Potential victims were sent letters telling them they could receive large amounts of US dollars allegedly held by the Central Bank of Nigeria as a result of "over-invoicing". Some who replied were then persuaded to make up-front cash payments to the men in order, they were told, to pay taxes to allow the money to be released by the central bank. The £1.3m was paid by 11 victims in Nigeria itself or to three men claiming to be employed by the Central Bank of Nigeria's London agents.

The three men were Mr Mathew Oke, Mr David Oluyitan and Mr Abdul Khalid, all of London. They were jailed for 3 1/2 years, 4 years and 2 1/2 years respectively. Mr Oluyitan and Mr Khalid were convicted of conspiracy to defraud last December. Mr Oke had pleaded guilty to the same charge last September. Mr Oke and Mr Oluyitan were both recommended for deportation to Nigeria. Another two men posed as bank managers who claimed they had received the money from the Central Bank of Nigeria. They demanded further cash payments to transfer the money to victims' accounts. Mr Victor Boulter of Bushey Heath near London and Mr Victor Watson of London were both jailed for five years after being convicted of conspiracy to defraud. The fraud operated in countries including Australia, the US and Germany.

John Mason, Law Courts Correspondent

Maxwell jury sets record

Jurors in the Maxwell trial in London set a record of 11 days for the longest time an English jury has retired to consider its verdicts. With sickness again taking a toll among jurors, this figure is set to rise further. A second juror fell ill yesterday, forcing the judge to cancel the jury's deliberations for the third successive day. However, the trial will resume today in the hope the jury will be fit enough to continue attempting to reach verdicts. The Lord Chancellor's Department confirmed that the jury's 11-day stint is believed to be the longest ever. Mr Kevin Maxwell, Mr Ian Maxwell and Mr Larry Trachtenberg, a former adviser to the late publishing tycoon Robert Maxwell, are charged with conspiring to defraud the Maxwell pension funds by using shares in Teva, an Israeli pharmaceutical company, which were owned by the funds to raise money for Maxwell private companies. Mr Kevin Maxwell faces another charge involving the use of shares in Selter, another Israeli company. All have denied the charges. Mr Kevin Maxwell and Mr Ian Maxwell are sons of Robert Maxwell.

John Mason

Union accepts GM offer

Vauxhall car workers in the AEEU engineering and electrical union have voted heavily in favour of the "final" three-year pay offer from the General Motors subsidiary. The deal was supported by 2,224 votes to 639 in a secret ballot of the workers at the company's plants at Luton to the north of London and Ellesmere Port in north-west England. The AEEU had recommended acceptance of the offer of a 4.5 per cent pay rise now followed by an increase in line with inflation over the next two years, as well as a one-hour cut in the 39-hour working week. The rest of Vauxhall's manual workforce of 7,700 are members of the Transport and General Workers' Union and their ballot result will be announced on Wednesday. TGWU leaders did not recommend acceptance.

Andrew Bolger, Employment Correspondent

Cost-sharing is proposed

The government has asked construction companies bidding for the main Newbury bypass contract to consider sharing some of the costs of providing additional security against protesters at the site 90km to the west of London. The proposed bypass on the main A34 road from the port of Southampton to the English Midlands would pass through unspoiled countryside. There is increasing concern at the mounting expense of policing construction work which, together with delays caused by protesters, will force up the final bill for the road.

Arguments are still raging over the final cost of the contract for the Twyford Down bypass to the south, which was won by Tarmac for £25.8m (\$39.7m) but eventually cost much more. The bill for extra security at Twyford was £4m, which the government's Highways Agency agreed to pay. It has now written to the six contractors shortlisted for the main construction contract at Newbury asking them to provide separate cost estimates for different levels of security. The six are thought to be Amec, Alfred McAlpine, Costain, Kier-Hochtief, Mowlem and Tarmac.

Andrew Taylor, Construction Correspondent

Applied Materials contract

TI Group, the specialist engineering and aerospace equipment company, said it had won its largest ever contract for industrial seals. Applied Materials, the US machines tools supplier, has placed an order for seal assemblies worth \$70m (£10m) over five years. The components will be produced by John Crane Belfab, the US subsidiary of John Crane International - TI's sealing systems division.

Tim Durt, London

Typist claims discrimination: An unemployed male typist was ignored by a secretarial agency because of his sex, he claimed at an industrial tribunal in the northern England city of Leeds. His claim that the agency Office Angels sexually discriminated against him was supported by the Equal Opportunities Commission. He said three female candidates were called for a typing test, but he was not summoned even though he held typing qualifications.

Police to try CS gas: CS gas is to be carried in belt canisters by patrolling police officers in a pilot scheme in 16 areas. Most uniformed officers are armed only with nightsticks. Growing violence on the streets meant there was an "overwhelming need" for deployment of an incapacitating spray, said Mr Tony Burden, chairman of the self-defence subcommittee of the Association of Chief Police Officers.

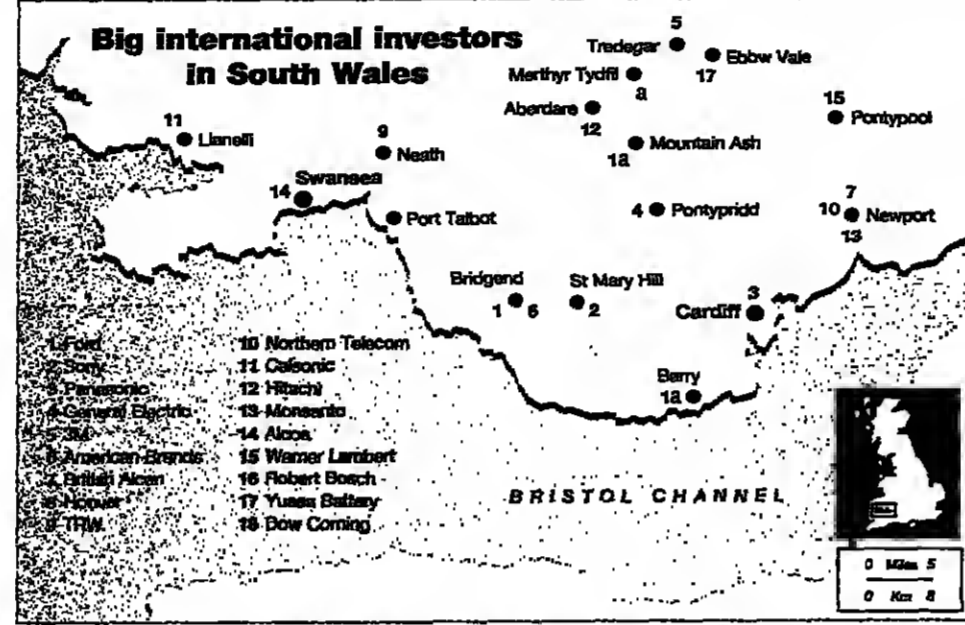
Shortages of skills worry international groups in Wales

By Roland Adurburgham in Cardiff

Shortages of skills in Wales could threaten future expansion there by international companies, says a survey by Coopers & Lybrand, the accountancy firm. All but three of the 50 companies in the survey would recommend Wales as an investment location, mainly because of the commitment and flexibility of the workforce. But actual or potential skills shortages are the largest single reservation cited.

The survey covered about 50 of the 400 international businesses with Welsh plants, of which the greatest concentration is in the south of the region. Most of the companies are described as being "very positive" about their future in Wales. Thirty-eight would consider expansion and 19 said they were aware of mobile invest-

ment projects by their parent companies which could come to Wales. But the survey makes clear that workforce skills will be crucial to the decisions on where to invest. The 50 companies, selected for the survey as having the best potential for growth in Wales, range in employment from 50 people to 3,000. Nine countries are represented by the parent companies including the US, Japan and Germany. The names of the companies were not disclosed. The research, commissioned by the Welsh Development Agency, found that Welsh sites were recognised by the parent companies for their sustained performance. One large organisation said its Welsh plant was its "most flexible, productive and profitable site in Europe." Thirty companies, however, said they had already experienced skills shortages, the majority in engineering and associated disciplines.



A concentration of companies: inclusion here does not mean that a company was in the survey

There was concern that the supply of professional, qualified and skilled workers was not increasing, and that competition for staff could lead to higher labour costs. In addition to the fears of shortages of qualified engineers and technicians, there were worries about the recruitment of apprentices and "high-

quality" school leavers. There was disappointment that the apprentice workforce in Wales might be diminishing because of parental and school pressure on young people to continue in full-time education. The research found the companies were placing a marked emphasis on automation and new technology in their plants

to compete in world-class markets, which was resulting in significant changes in working practices. A growing need was identified for the workforce to have skills formerly associated with management - for example, multitasking, team leadership, and communication and interpersonal skills.

Buffalo abattoir at home on the range

By Clay Harris in London

The American buffalo, making a comeback on the Great Plains after its near extinction in the 19th century, will be able to roam at home on the range until the end of its days, thanks to an export order announced yesterday by a Suffolk company.

The Cheyenne River Sioux tribe of South Dakota has bought the first mobile abattoir purpose-built for buffalo, allowing animals of up to 1.2 tonnes to be processed humanely and in the most hygienic environment" out on the prairie.

The \$1.1m (£710,000) abattoir unit is made by Sandströms Transport-produktör of Sweden but marketed internationally by Humus of Bury St Edmunds in the eastern England county of Suffolk.

It was bought by Pte Hea Ka (meaning "the buffalo"), a commercial operation of the Cheyenne River Sioux. The tribe has 900 buffalo including calves.

Mr Hugh Fullerton-Smith, Humus director, said the sale was the first outcome of the two companies' joint venture which began last year with the endorsement of the Department of Trade and Industry's Eureka scheme.

The Swedish group had been making mobile abattoirs since 1965 for the humane slaughter of reindeer in the north of the country, and Mr Fullerton-Smith built one for deer in the UK in 1989.

Sandströms Transport-produktör now designs and builds the abattoir units and Humus handles marketing and applications for government approval. This has been granted in the UK and is nearing completion in the US.

The American buffalo was nearly wiped out in the 1800s, with its population falling from 60m to fewer than 500 by the end of the century. With protection, that recovered to nearly 50,000 by 1987. The species is now exploited commercially by native Americans, and 37 tribes have formed themselves into a co-operative.

Mr Fullerton-Smith said mobile abattoirs might provide a partial solution in Europe for concerns about the transporting of live animals over long distances to slaughter. They are still likely, however, to be used mostly for species requiring special handling.

Having made the deer and the antelope pay, the partners have turned their attention to a new market. "We've been approached by the ostrich people in the past few days to build a dedicated ostrich unit", he said.

Nation lagging behind competitors, says minister

By Chris Tighe in Newcastle upon Tyne

Mr Tim Eggar, industry and energy minister, warned yesterday of Britain's skills deficit in comparison with other countries. "We have a major challenge - to upgrade the basic skills of everybody going through the school system," he said at Sunderland University in north-east England. "A lot of progress

has been made over the past 10 years in terms of GCSE results and staying-on rates. But still, I think, both local authorities and higher-education institutions and employers have to raise the expectations of pupils, parents and teachers."

Britain could not be satisfied with the level of achievement of the average student at age five, seven, 11 or 16, he

added. "When I look at the international competition and I look at the standards being achieved elsewhere in Europe, in Japan and our Far East competitors, I realise we have an ever more challenging target, and none of us probably has enough aspiration if we are going to be able to compete during the course of the next century. "An enormous amount has been

achieved but we have to be very hard-headed, very realistic about the challenges which lie ahead."

Earlier this week, the latest quarterly Business Survey North, based on responses from 681 companies in north-east England and Cumbria, showed a marked increase in shortages of skills for managerial and professional staff.

Opposition from chancellor to publication of paper on EU conference is overruled

Premier yields to Eurosceptics in his party

By Robert Peston, Political Editor

Mr John Major, the prime minister, yesterday persuaded the cabinet to back publication of a government paper on the forthcoming European Union inter-governmental conference, overcoming opposition from Mr Kenneth Clarke, chancellor of the exchequer.

The prime minister's decision to yield to pressure from Eurosceptic MPs in his party who had been calling for the government's views to be set out in a paper was taken yesterday morning.

No objections were raised by ministers in the cabinet meeting, but a senior member of the government said that Mr Clarke, the most pro-European member of the cabinet, had circulated a paper setting out objections to publication.

Mr Clarke had been concerned that the paper could talk with its EU partners and could also exacerbate divisions in the party. The government's latest concession to the sceptics



Mr John Major, the prime minister, has begun detailed planning for the next election following a private strategy meeting at Downing Street for ministers and Conservative party tacticians. Those present included Mr Michael Heseltine, the deputy prime minister, and Mr Brian Mawhinney, the party chairman. One big issue to be addressed is Mr Heseltine's role in the campaign. Party tacticians are desperate to avoid a clash over responsibilities with Mr Mawhinney.

The issue of Mr Heseltine's duties came as senior Tories were privately canvassing a new leadership challenge to put him in Downing Street by the next election. But there was a retreat from moves to oust Mr Major as news of their plans was revealed. The prime minister

increased speculation that Mr Major will also concede to demands that he should promise to hold a referendum if the cabinet ever decides to take sterling into a single European currency.

Mr Major also risked widening the split between the right and left wings of his party when making his strongest attack on Baroness Thatcher, who the previous week had criticised him for

abandoning the middle classes. Baroness Thatcher proceeded to praise Mr Major as prime minister and leader of the Conservative party. Setting out the government's record in reducing inflation, mortgage rates and unemployment, he said that was "what she sought to achieve" while, in contrast, "we have delivered".

A senior member of the cabinet last night conceded that there needed to be dramatic changes in the style of government to revive the party's fortunes. "We have got to get out of the box," he said. He added that a change of party leader was not his preferred solution, but that Mr Major should cease shirking controversial decisions. The minister had therefore supported publication of a paper about the EU conference because "if you have a clear set of policies, you should have

the confidence to publish them". For the same reason, he argued that the prime minister should stop prevaricating over a referendum about the single currency.

Mr Clarke, supported by the deputy prime minister, Mr Michael Heseltine, is even more implacably opposed to a referendum than he was to a white paper.

But leading Conservatives are urging the prime minister to overrule these two pro-European cabinet ministers, saying that a referendum commitment could lead to a lasting peace in the government's civil war if it was coupled with a strong statement from the prime minister casting doubt on the likelihood of a single currency being formed at the official 1999 start date.

The leading proponent in cabinet for a paper on the conference has been Mr Malcolm Rifkind, the foreign secretary, who started pressing for one last November and reversed the stance taken by his predecessor, Mr Douglas Hurd.

Exxon offshoot follows Rockefeller's example

By Robert Corzine and Neil Buckley

Esso, the UK subsidiary of Exxon, one of the world's largest oil companies, recalled its heritage on Wednesday when it switched to a low price policy to bolster its eroding position in the retail petrol market.

The company is a direct descendant of Standard Oil of the US, whose legendary founder, John D. Rockefeller, had a simple solution to falling market share. Give competitors a "good sweating," was his advice to executives.

In late 19th century America that meant driving prices down until the competition "felt sick." It is likely to mean the same thing in the late 20th century UK petrol market according to analysts, who were yesterday busy assessing the likely impact of Esso's decision to match the lowest prices available. Its 2,100 service stations comprise the country's largest retail network.

Table: How prices compare (national averages, litre unleaded petrol). Columns: Local currency, Converted to pence sterling, Local currency, Converted to pence sterling. Rows: Norway, Netherlands, Finland, France, Sweden, Austria, Belgium, Italy, Germany, Denmark, Switzerland, Rep. of Ireland, Luxembourg, Spain, UK, Greece.

On Wednesday Esso executives said they had "no intention to undermine the market." The cheap petrol policy was a strategic response to a fundamental shift in the retail market, they claimed. Market research showed motorists were prepared to drive longer distances to buy cheaper petrol.

But some analysts yesterday saw Esso's move in a different strategic light. "Esso's target is the supermarkets," said Mr Matthew Hall, an energy analyst at brokers SBC Warburg in

London. But he believed its victims were likely to be independent retailers who will find it hardest to withstand falling margins.

Mr Peter Regnier, managing director of Opal Price Assessments, an industry consultancy, described Esso's move as "very dramatic and without precedent in Europe".

In the past few years supermarket chains have captured 22 per cent to 26 per cent of the petrol market by offering fuel that is generally about 2p a litre cheaper than that of the

oil majors. They have done so by selling through 700 high-volume petrol stations, many next to big out-of-town supermarkets that attract crowds of shoppers with cars.

Big stores have a number of advantages over independent petrol retailers and oil companies. They can take advantage of a structural surplus of petrol in the UK and western Europe by buying in bulk, often from the refineries of the oil companies with which they compete.

They also enjoy very high volumes. Mr Hall notes that

the average supermarket site sells about 8m litres a year compared with 3m to 3.5m litres a year for the busiest oil company station and a national average of 2m litres a year.

Moreover, supermarkets do not have to meet the costs of a European Union requirement that oil companies hold large forward stocks of fuel as a guard against supply disruptions. Nor do they have the costs associated with cleaning up pollution around older service stations.

Mr Ian Upson, Esso's managing director, says it is unwise "to overplay the role of the supermarkets" in prompting Esso's move. But analysts say Esso, which is one of the lowest-cost suppliers, must be worried about the longer-term intentions of the supermarkets.

The rate of new supermarket building may slow due to tougher planning restrictions, but all the biggest four food-store chains - Sainsbury,

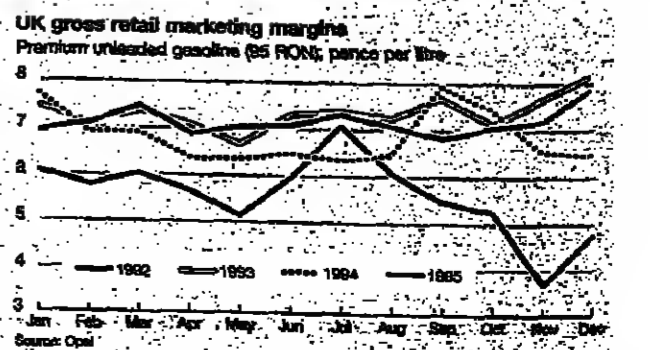
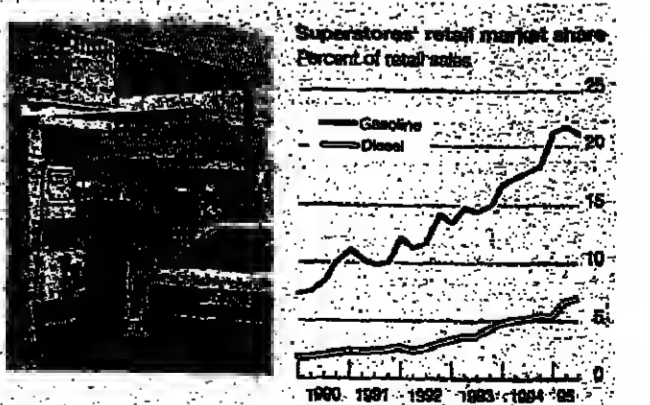
Tesco, Sainsbury and Asda - are keen to open petrol stations on older supermarket sites which do not already have them.

But will Esso succeed in clawing back market share? One industry observer doubts whether the big grocery chains can be stopped. After all, he points out, in France they have captured half the retail petrol market. The most likely outcome, he says, is an industry shakeout that could result in the departure of many of the smaller international oil companies from the UK market.

About 14 international companies now operate in the UK retail market. That number could fall to just the five or so within a few years.

Industry observers say Esso's move is likely to depress already thin petrol retailing margins to the point at which a number of smaller chains will consider whether the UK market, already among the cheapest in Europe, is worth the effort.

Tank wars





JOB: Employers are looking at alternative ways of finding graduate talent

Brand spanking new careers

It is difficult to judge who are the most anxious in the current UK graduate recruitment market, students desperate to link up with employers or employers scrambling for the best students. Uncertainty in the jobs market appears to have been focusing students on their future careers far more than in the past. Tom Snow, director of Oxford University careers service, says he has been trying to calm students' fears. "A lot of students look over their shoulders at others who have got themselves fixed up with a job and begin to think they are unemployable, and that's rubbish," he says. Many students, however, do seem to be looking towards their future careers at a much earlier stage in their university studies. Almost a third of first-year students at Oxford and two-thirds of the second years have registered with the careers service. The proportion is around 90 per cent in the third year. Many of them are seeking vacation work so they can court potential employers and get relevant work experience in readiness for the day they will be graduating. The techniques of networking and

researching future employers or industry sectors are no longer a mystery to today's graduates. Some students, often those from reasonably affluent backgrounds, are confident enough to take some time off and see the world. Others, who are particularly gifted or who have a sought-after speciality, are finding that they are able to play the field. "Although some have difficulty getting a job, some are collecting a portfolio of offers from which they can take their pick," says Roly Cockman, executive secretary of the Association of Graduate Recruiters. Competition for the most able graduates who can start contributing quickly to a company's profits, he says, is being reflected in higher starting pay. "Starting salaries of £21,000 and £22,000 a year are not uncommon in some sectors," he says. With signs of companies needing to woo students at the top of the range, it is not surprising to find employers willing to consider different forms of recruiting. Some are looking at contracting out their graduate recruitment. Andrew Nelson, who runs AN Associates, a business based in Solihull, handles

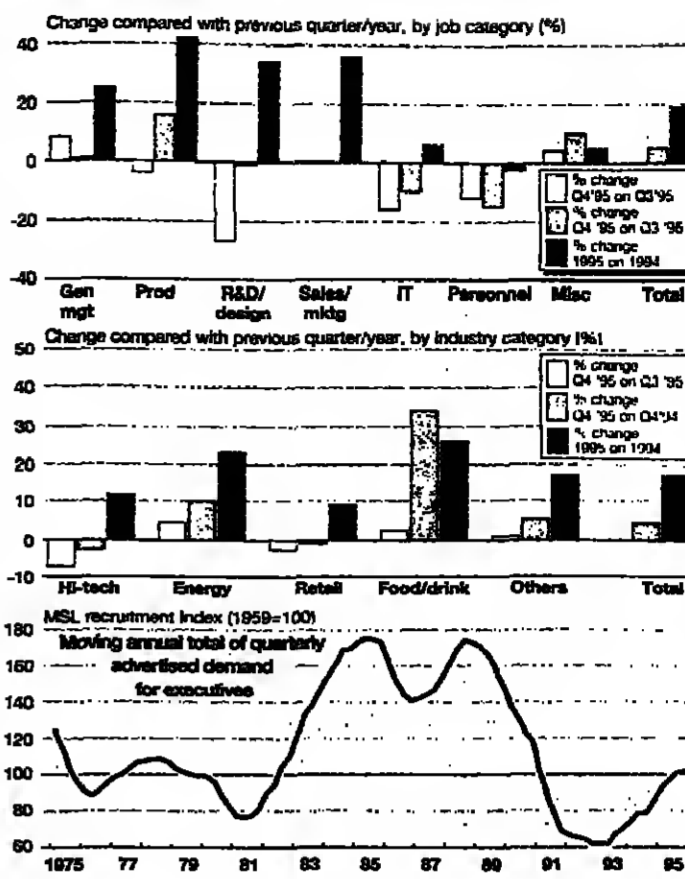
graduate recruitment for a number of clients. "It ranges from simply sifting applicants for a short list to handling the whole of the recruitment process, including selecting the graduates and looking after their career development in the first 18 months," he says. The market has even led to the emergence of a headhunting firm specialising in finding graduates. Moloney Search, a search firm comprising consultants not too long out of university, is offering companies what it claims is a far less costly and more focused alternative to the "milk round", the traditional method used by big employers to present themselves to graduates. Moloney, which was set up in 1994 by Caryl Moloney, a qualified medical doctor, scours the universities for their most talented students. In building up contacts with careers offices, tutors and students, it believes it can target some of the most able people, particularly where companies may need highly specialised graduates. Moloney describes traditional graduate recruitment methods as a hit and miss process, often leading

the graduate to accept the first job offered after sending out a stream of applications. "When they realise they are not suited to the company they may leave. It can be an expensive mistake for both the graduate and the employer," she says. The firm, which usually charges a minimum of £2,500 a search, was willing to offer a discount when it secured its biggest contract to date searching for 75 graduate recruits for Asda, the supermarket group. Asda itself has abandoned the milk round to pursue other ways to tap the graduate market. In addition to headhunting, it has advertised in *Viz*, the cult youth comic that specialises in lighthearted humour and which is fashionable among students. The advertisement says: "Graduate Careers at Asda, much better than a slap on the bum." The company, which is also allowing applications on the Internet, says that the *Viz* advertisement has brought in a far greater response than another advertisement it placed in the Independent newspaper.

Richard Donkin

Advertised demand for senior executives rose by 19 per cent in 1995, according to MSL, the recruitment services group which has just published its latest quarterly index. The index, which has been running since 1989, has been a consistently accurate indicator of economic growth as can be seen by the pattern of its moving annual total featured here. The moving total, which irons out seasonal fluctuations, rose marginally in the last quarter, continuing the steady continuous rise in demand since it last fell at the end of 1992. Executive recruitment activity is running at about the same level as it was in early 1993. On that occasion, preceding an economic boom, the rise in demand was far steeper than it has been over the past two years. Gary Long, MSL's chairman, believes the graph is reflecting emergence from recession but he says the senior executive recruitment market still lacks confidence. "Our optimism that the market will continue to gain strength in 1996 is tempered by the fact that some organisations are simply replacing skills rather than taking on additional personnel," he says. Two job categories in which recruitment advertising decreased over the year were personnel and accounting and finance. Production job advertisements showed the biggest rise, up 42 per cent over the year.

MSL recruitment index



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operating in a fast moving environment. Ideal candidates will either be qualified accountants with c3 years' PQE gained within financial services or public practice, or alternatively, credit professionals with c5 years' experience gained with a similar global player. In addition to an excellent basic salary, benefits include a car allowance, mortgage subsidy and profit sharing bonus scheme. J.P. Morgan is a meritocracy where progress is dictated by your abilities, achievements and personal ambitions. For the right individual opportunities therefore exist throughout the firm to take your career to new heights through training and career advancement. Interested applicants should write in the strictest confidence to our retained consultants, David Craig or Brian Hamill at Walker Hamill Executive Selection, 103-105 Jermy Street, St James's, London SW1Y 6EE, forwarding a brief resume quoting reference DC 1926.

JPMorgan

TEATHER & GREENWOOD INSTITUTIONAL AND PRIVATE CLIENT STOCKBROKERS

We are seeking individuals, or teams, with existing clients to work from our Leigh-on-Sea (Essex) office. Our City office is fully computerised with Bloomberg, Datastream and the latest valuation and determination systems. We also provide a full PEP service which is managed in-house. For the Private Client we offer a full range of services including Advisory and Discretionary portfolio management, comprehensive and fully computerised client statements and nominee service. ASSISTANT PORTFOLIO MANAGER We are seeking an experienced Manager to assist with existing client portfolios. Your responsibilities will include dealing with all aspects of Portfolio Management and should have at least 5 years experience. You will have an in-depth knowledge of both UK and International equities and bonds. The salary offered will reflect your knowledge and experience. CORPORATE FINANCE EXECUTIVE The firm is broker to around 20 fully listed companies and AIM stocks. There is a vacancy for a qualified executive, who is likely to be a Solicitor or Accountant, in the Corporate Finance Department. For further details please contact Jeremy Delmar-Morgan on 0171 256 6131 or write enclosing a full CV to him at Teather & Greenwood, Salisbury House, London Wall, London EC2M 5TH.

APPOINTMENTS ADVERTISING

Appears in the UK edition every Wednesday & Thursday and in the International edition every Friday. For information on advertising in this section please call: Toby Finden-Crofts on +44 0171 873 3456

russian treasurer

U.S. multinational moscow training in U.K. & emerging market excellent salary

An opportunity for an English and Russian speaking graduate with three years plus financial markets experience to join a fast growing diversified US multinational. Working closely with senior country management key responsibilities will include-  
■ advising management on forex, interest rate positions and cross-border risks.  
■ advising product line management on hedging techniques, trade finance and managing bank facilities.  
■ working with UK/US Treasury departments in structuring bank facilities.  
■ monitoring cash management procedures, funding allocations and LC programmes.

We're looking for an ambitious treasurer with a good understanding of risk management in forex and interest rates as well as some exposure to accounting and taxation rules. You'll work for a company who is committed to long-term growth in Russia. With established manufacturing plants in Russia and Central Asia as well as their fast growing trading operations, the opportunity to learn, progress and be promoted to a senior management role exists for the right person. Please send CV Ref: 0437. We are interested in talking to bi-lingual finance professionals for opportunities in Russia, Central Asia and Eastern Europe.

FARN WILLIAMS Farnham & Farnham Square Diamond House, 37-38 Hatton Garden, London EC1N 8FW Tel: (44) 171 404 4069 Fax: (44) 171 404 4083

ABN-AMRO HOARE GOVETT

LATIN AMERICAN ECONOMIST - AMSTERDAM

An experienced economist is required to cover the Latin American region with responsibility for macro-economic forecasting and strategy for equity and fixed income markets. The position is based in Amsterdam within the emerging markets team and will involve liaison with analysts in New York and throughout the local network of offices in Latin America. ABN-AMRO Hoare Govett is the securities and investment banking business of one of the largest European banks with a strong financial name recognised worldwide. The ABN-AMRO group has coverage of 19 Latin American countries being involved in both commercial banking and securities. As a result of these strengths, ABN-AMRO was among the top 10 issuers of Eurobonds in the region during 1995. The emerging markets team in Amsterdam aims to support and develop this business by providing investment research and ideas for its worldwide institutional client base. The position will require an economist with a strong academic background and a minimum of three years' experience covering Latin America with a financial institution. The candidate will be confident and self-motivated, capable of developing an asset-allocation product with a market focus and will have excellent client presentational skills. Remuneration will be highly competitive. Please contact Nick Hudson at Michelangelo Associates, Search & Selection, 2 Austin Friars, London EC2N 2HE. TEL: +44 171-972 0150. FAX: +44 171-972 0152.

EUROPEAN BUSINESS DEVELOPMENT & SALES MANAGER

This is an exciting opportunity to join the European headquarters team of a US diversified financial services organisation. This group is a wholly-owned subsidiary of one of the world's largest companies (\$74 billion of assets). Activity has commenced in the medical, electronics and communication sectors. Having completed the establishment of the UK operating entity, the Group is now poised to expand into mainland Europe commencing with France and Germany. The business strategy will be to provide strategic underwriting and proactive sales support to equipment manufacturers, replicating high levels of service already provided in other countries. Reporting to the Finance Director, you will be required to undertake a multifaceted role in a small and entrepreneurial team which will necessitate a flexible business approach. The Position  
■ Provide in-house support to the sales managers in Europe.  
■ Be a core member of the European business development team.  
■ Perform analysis of market opportunities and potential acquisitions targets.  
■ Implement and manage human interface to real time, on-line multi-country data systems. The Requirements  
■ Accounting qualification or finance oriented MBA.  
■ Experience of working in Europe, especially France and Germany.  
■ Multilingual.  
■ Knowledge of the equipment finance industry, gained either directly or through banking, consultancy or general corporate financing entities. If you are interested in this position, please send your CV with current salary details to: Metin Mitchell, K/F Associates, 252 Regent Street, London W1R 6HL, quoting ref: 909771A, or alternatively by e-mail to cv@kfaeurope.com Internet Home Page: http://www.kfaeurope.com K/F ASSOCIATES KOPPELBERG CARR/SORBAN INTERNATIONAL

## TOP OPPORTUNITIES

SENIOR POSITIONS IN GENERAL MANAGEMENT

### MANAGING DIRECTOR

Speciality Footwear Retailer - New Zealand

For over 125 years, R Hannah & Co Ltd has led footwear retailing in New Zealand. The company is privately owned, has close to 100 stores nationwide, covering several market/brand segments and is at the forefront of new thinking in retailing. Hannah's and its associate brands are prominent in all major shopping centres and the Company is quickly developing new theme store concepts, as well as the prudent location of stores in new Outlet and Power centres.

The Managing Director will be responsible to the Hannah's Board for the continued profitable development of the company. The foundation is very solid with significant revenues, market leadership and a reputation for efficient manufacturing and importing, intelligent marketing and quality customer service.

Candidates will need to have speciality

or similar retail experience at a senior management level. They will need to provide evidence of success in adding value for shareholders, leading and developing staff and exceeding customer expectations. A sound background in retail selling, marketing and merchandising is essential as is an understanding of fiscal responsibilities and Board relationships. Experience in apparel retailing would be very helpful.

The remuneration package is at a high level and includes discretionary income based on company performance. Relocation expenses to Wellington, New Zealand's capital city, will be met.

Applications will be treated in strict confidence. Please send relevant personal and career history information to Norman Godden, Deputy Chairman, Sheffield Consulting Group Ltd, at our Auckland address below, quoting Reference 15991.

Telephone 64-9-377 3119  
Facsimile 64-9-307 2322  
PO Box 5621, Auckland, New Zealand  
E-Mail: Applications@scg.co.nz



**Sheffield**  
CONSULTING GROUP LTD

## BANKING FINANCE & GENERAL APPOINTMENTS

### DEVELOPMENT OF YOUNG FINANCIAL MARKETS

GMA Capital Markets Ltd, a City-based provider of advice, assistance and training to fifteen young financial markets, mainly in countries in transition to the market economy, seeks more associates to work on a project-by-project basis.

Candidates must be technically outstanding, good communicators, adaptable, self-reliant, and resilient. Fields of specialisation include investment and pension fund management, investment banking (incl. corporate finance), securities market development and securities trading, venture capital and insurance.

Skills and experience in demand range from law and regulation through middle and senior management, to "back office" operations and financial training.

C.V.'s please to GMA (CV),  
113 Warnford Court,  
28 Throgmorton Street, London EC2N 2AT.

## PROLIFIC

### PRODUCT DEVELOPMENT CO-ORDINATOR

Our client, a leading investment house, is seeking a Product Development Co-ordinator to operate within the Business Development team.

You will be responsible for ensuring the successful launch of new products to the marketplace and updating and modifying the existing product range. You should have previous experience in a product development role, preferably within the investment industry, and have strong project management skills.

This position requires a resourceful individual with excellent interpersonal skills and a strong commercial awareness. You should be forward thinking in your approach and maintain an up-to-date knowledge of both marketplace and regulatory developments affecting the investment industry.

If you feel you have the necessary attributes to fulfil this challenging role, please send a full CV to: Elizabeth Williamson at Shepherd Little & Associates Ltd.

Fax  
0171-626 9400

Clarey Court, 21-23 St. Swithin's Lane  
London EC4N 8AD  
Financial Recruitment Consultants

Telephone  
0171-626 1161

**SHEPHERD LITTLE**

## BANKING FINANCE & GENERAL APPOINTMENTS

We're one of  
Europe's top  
Investment  
Institutions  
*with*  
\$40 billion  
under management.

*And we're not even two years old.*

Since our launch in 1994 by BAT Industries, one of the world's largest business enterprises, we've been growing at a remarkable rate. In just 18 months we've developed into one of Europe's premier investment institutions. Yet our plans for expansion don't stop here. We now aim to build a substantial retail and institutional mutual fund business and expand our operation across Continental Europe.

Ambitious we may be, but we believe we've already proved what can be achieved when you set your sights high.

Professionals of the highest calibre are needed for the following roles, all of which will be part of our Luxembourg operation but involve substantial travel throughout Europe. Join us now as we're poised for further growth and your prospects will be as promising as ours.

#### HEAD OF CLIENT SERVICES

This key role involves managing the client services function supporting our European business, which comprises a team forecast to grow to around 50 strong over the next three years. Your responsibilities will span all operational procedures as well as supporting sales and marketing activities. Recruitment and training will be key priorities.

Your knowledge of investment markets and products will include an understanding of the dealing, registration and compliance procedures associated with investment funds. Energetic and with a creative approach, you must have strong people management skills and the ability to manage projects, especially in relation to developing IT. You will almost certainly have experience of building service infrastructures. Fluency in English and German is essential; French would be an advantage. Reference: HCS/FT.

#### CLIENT SERVICES EXECUTIVES

We are looking for four customer-focused individuals to join the team providing assistance to investors and distributors in support of our sales, marketing and administrative activities. Two positions will concentrate on the Dutch market, one on Germany and the other on the United Kingdom; all involve working in our Luxembourg office.

You will provide high quality information on our products and services, investment procedures and markets, and troubleshoot specific customer problems. Mainly working over the phone, you will also produce reports and help develop new processes.

You will need a sound understanding of investment markets and products, and the dealing, registration and compliance procedures associated with investment funds. Ideally supported by experience in a sales or customer service role, you will certainly possess a creative, imaginative and solution-oriented approach. All of these roles require fluency in the native language of the local customer base as well as English. An additional language would be an advantage. Reference: Ger/CSE/FT, Net/CSE/FT, UK/CSE/FT.

#### SALES MANAGERS

We need energetic professionals to meet the challenge of building a market-leading sales function from scratch. They will target distributors in the Benelux region and high quality intermediaries in Germany.

These roles involve account management and co-ordinating multi-tiered relationships between Threadneedle and our distributors, as well as working with the Luxembourg marketing team to develop campaigns and new products for your region. Your brief will be to build strong client relationships through supporting sales activities and providing information on Threadneedle's products and the financial markets in general.

You must possess a sound understanding of investment markets and products as well as the investment funds distribution process, giving you the necessary credibility with clients and colleagues alike. Excellent presentation skills should be supported by fluency in Dutch/Flemish and English backed by a working knowledge of French for the Benelux region; and fluency in German and English for the German roles. Reference: Bene/SM/FT, Ger/SM/FT.

#### MARKETING MANAGERS

These roles, covering Benelux and Germany, involve bringing the perspective of local regions into the development of our marketing strategy, communication activities and new product initiatives, in all of which you will play an active role. Managing the local advertising agency and helping develop new sources of outreach to local markets will also be part of your brief.

Self motivated, client driven and with a strong team spirit, you must have experience in fund management and a sound fund product background. You should be able to create marketing support materials and possess exceptional communication and organisation skills. For both roles you should have marketing experience in the local market and be fluent in the local language, as well as English. Reference: Bene/MM/FT, Ger/MM/FT.

#### PR MANAGER

This role requires an individual to establish a strategic PR plan for our European business, including setting objectives and managing the agency relationships in a number of countries. Your activities will include arranging press meetings and co-ordinating sponsorship and hospitality events, whilst working closely with the European Sales Team.

You will need a flair for turning investment issues into PR themes and for applying them across any of the major European markets. Your knowledge of investment markets should have been gained through at least five years' experience in financial services PR. Fluency in English and German is essential; French would be an advantage. Reference: PRM/FT.

In return we're offering highly competitive salary and benefits packages that will reflect your skills and experience. To apply please call +44 (0)171 978 3028 for an application pack quoting the appropriate reference. Lines will be open until the end of January and written applications should be received in London by Wednesday 7th February.



**Threadneedle**  
ASSET MANAGEMENT

### Capital Market Appointments

#### Assistant General Manager Marketing Officer - New Issues

Our client, the investment banking arm of a major international Bank is seeking an experienced New Issue Marketing Officer.

Responsibilities will include establishing and maintaining relationships with regular issuers in the Eurobond market. An ability to liaise closely with the existing trading and sales team is essential. Candidates of the correct calibre will currently be working in an established New Issue House and must have a thorough understanding of the Swap and New Issue Market and a demonstrable successful track record.

This position offers an excellent career opportunity. The salary and benefits will be highly competitive and consistent with current market practice.

To apply please send your CV in strictest confidence to John Thorne, Partner.

Phone: 0171 373 3333, London, West London, EC2M 5EQ.  
E-mail: jthorne@scg.co.nz

#### SALES ASSISTANT

We are an independent investment management and brokerage house seeking an experienced sales assistant. Candidates should be graduates, SFA registered, with excellent computing skills. Previous back office/settlement experience is desirable. An ideal candidate will be efficient, well disciplined and able to cope with the stress of a dealing room environment. Good communication and interpersonal skills and the ability to work on own initiative are also requirements. Age 24-34.

Please send your CV together with a hand-written covering letter to:

Linde Packe,  
ELI ASSOCIATES LTD,  
Old Park Lane, London W1Y 3LJ,  
Fax no. 0171 491 2367.

#### MIDLAND SECURITIES SERVICES - GLOBAL CUSTODY

MSS is a leading and top rated Global Custodian. Our continued success and expansion has now led to a number of opportunities within our Operational area.

Experience of the Global Custody industry in either UK or Overseas, especially Settlements/Corporate Actions is required.

We offer excellent career prospects, a competitive salary together with a range of banking benefits.

If you are interested please send a c.v. to:

Gwendy Barnes  
Personnel Assistant  
Midland Bank plc  
Mariner House  
Peppys Street  
London EC3N 4DA



We are an equal opportunities employer.

# Marketing Manager

Leading Asset Management House

c.£40,000 + Benefits

City

Superb opportunity to lead a new and innovative institutional marketing team and make a significant contribution to business development.

**THE COMPANY**

- ◆ Leading UK-based asset management group.
- ◆ Excellent reputation for investment performance and product innovation.
- ◆ Marketing function is professional, well funded and client focused.

**THE POSITION**

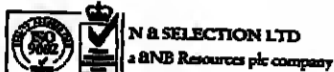
- ◆ Provide superb marketing support to UK institutional business and international operations. Lead and develop a newly-formed team.
- ◆ Develop and co-ordinate institutional marketing materials. Ensure provision of first-class service to key internal clients.

- ◆ Assist in co-ordination of new product and institutional business-development strategies. Drive market research. Develop and maintain institutional marketing/client databases.

**QUALIFICATIONS**

- ◆ Business/Finance/Economics graduate. Good understanding of financial markets and institutional investment preferred.
- ◆ Minimum 3 years' relevant experience co-ordinating institutional marketing materials. Strong market research ability and familiarity with creation and use of marketing/client databases.
- ◆ Energetic, possessing drive and initiative. Excellent interpersonal and organisational skills.

Please send full cv, stating salary, ref FS60104, to NBS, 10 Arthur Street, London EC4R 9AY



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# Head of Syndications

London

Our client is an International merchant bank with fellow subsidiaries in the main financial centres providing global banking and treasury services to its clients. It has established an enviable reputation in emerging markets including niche strengths in structured trade and project finance, forfaiing, corporate debt trading and international financing for corporates.

It now wants to appoint a senior syndications specialist to enhance and develop the bank's capability to respond to the financing needs of key corporates in those countries where the bank has a strong market presence. The position represents a key element in the bank's strategy and the individual will be expected to fulfil a pivotal role in the shaping of the team and position the bank to be a natural choice as arranger.

The individual will need to possess exceptional marketing skills as well as having the drive and personality required to build relationships. This is a "hands on" role which encompasses origination, structuring and distribution for which a highly competitive salary, exceptional bonus potential and usual banking benefits are offered.

Please send a detailed Curriculum Vitae quoting reference ANC102 to Rochester Partnership Limited, 7 St Helen's Place, Bishopsgate, London EC3A 6AU. Tel: 0171 256 9000 Fax: 0171 256 9111.



Rochester Partnership Ltd

# Fund Accountants

J.P. Morgan Investment Management Inc. (JPMIM) in London is the international investment arm of J.P. Morgan & Co. Incorporated. With \$157 billion under management, it is one of the premier investment management houses in the world. These assets are managed in a wide range of funds, domiciled throughout Europe, which invest in various financial instruments including US and international equities, bonds, money market and derivative instruments.

JPMIM is looking to expand its Funds Administration team in London by recruiting three Fund Accountants. These appointments will play an important role providing essential support from a financial accounting, tax, regulatory and fiduciary perspective.

You will be responsible for the following:

- Overseeing of daily fund operations, primarily externally produced Net Asset Value calculations.
- Development and maintenance of control procedures.
- Monitoring of accounting and tax policies relating to new and existing funds.
- Drafting of financial and regulatory statements.
- Preparation of fund expense budgets, financial analysis and MIS reporting.
- Planning fund dividend distribution.

To be a candidate, you should have three years fund accounting experience gained in a unit or master trust accounting service provider, an investment management company or exposure to the investment industry from a major accountancy firm.

Educated preferably to degree level or with an equivalent accountancy qualification, you must be self-motivated and possess excellent interpersonal skills. PC skills are important, with the ability to speak a second European language an advantage.

These positions offer a generous salary plus benefits package and excellent career prospects within one of the leading international banks.

J.P. Morgan Investment Management Inc. is an equal opportunity employer.

Please contact Elizabeth Williamson at Shepherd Little & Associates Limited, Cleary Court, 21/23 St Swithins Lane, London EC4N 8AD. Tel: 0171 626 1161, Fax: 0171 626 9400

JPMorgan

# Corporate Finance Executive

## International Merchant Bank

London

Competitive salary plus bonus

This is an outstanding opportunity to join a busy corporate finance team as an executive in a prestigious bank with strong Middle Eastern connections.

Our client is a highly regarded, profitable institution, strongly funded by international shareholders. It is well placed to capitalise on the structural changes occurring within the principal markets in the Middle East. Corporate finance is a core activity with a clear strategy and plans for growth.

The position will involve contributing to transaction execution teams mainly in the areas of financial analysis, modelling and documentation. The successful applicant will be part of a London based team working on corporate finance transactions across a range of industry sectors, principally for

clients in the Middle East and related areas.

High calibre individuals are sought with first class financial modelling and analytical skills, preferably with the capability of developing into transaction managers and client relationship officers. Candidates should ideally be in their mid-20s. Preference will be given to applicants who have attended a recognised corporate finance training programme at a leading financial institution. Cross border experience is desirable and travel will be necessary.

Please apply in strict confidence, enclosing a detailed CV and listing separately any companies to which your application should not be sent, to Geoff Selby, Ref. GR/321, Roose and Partners Advertising Limited, 100 Gray's Inn Road, London WC1X 8AU.



# Marketing Electricity

Ipswich

Up to £60,000 + package

The trading and retail selling of energy is becoming an increasingly open, competitive market, particularly in electricity where all customers in the UK will have complete choice of supplier from 1998.

**The Client**

- Eastern Group is an energy company pursuing planned national and international expansion.
- Determined to expand their major share of the 23 million electricity customers in the UK.

**The Appointment**

- A new Marketing Manager to establish, then implement, a marketing strategy to help secure a larger share of the electricity market, within the greater energy market.
- Development of innovative marketing initiatives that attract and retain customers applying best practice from a wide range of retail and service industries.
- Reporting to the Head of Electricity Sales and Marketing and working with the Group strategy and trading development department.
- Fully engaged in the commercial reality of the business.

**The Candidate**

- Proven ability in developing market strategy in the financial services, retail or energy sectors.
- Keen interest in the application of branding, positioning and loyalty programmes to win and retain customers.
- Commercial acumen and objective self confidence to establish, then enthusiastically motivate, a new team.
- Graduate analytical skills, translated into clear, concise communication skills.

Please send a summary of how you match this appointment with your curriculum vitae and salary details, to Peter Dell, Ernst & Young Management Resourcing, Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 1NH, quoting reference PDE36.



Outstanding opportunities for versatile individuals with significant project lending/advisory experience.

# PROJECT FINANCE

Package £60,000-£90,000

Commerzbank AG, as a leading international German bank is an active participant in global financial markets and is expanding its investment banking business, which includes export and project finance. An award winner in European project finance in 1995, the project finance team is already well established in Frankfurt and the bank now seeks to expand its presence in London in four international industry sectors:

- Transport and Telecommunications
- Industrial
- Natural Resources and Environment
- Power

Educated to degree standard with possibly a professional qualification or MBA, candidates should have at least four years' experience in a senior capacity on arranging and/or advisory assignments. Strong credit skills relative to limited recourse financing are required together with well developed computer modelling abilities. A proven track record in the origination, negotiation and closing of complex limited recourse transactions and first hand knowledge of capital markets and derivative products will demonstrate the candidates' potential to succeed in a competitive environment.

The positions offer a high level of responsibility for those with the flexibility, flair and inter-personal skills to contribute to the success of this growing team of investment banking professionals.

Please will you send, in strict confidence, by post/fax, full career details quoting ref: PFS315/FT to our consultants: Managing Director, CJA, 2 London Wall Buildings, London Wall, London EC2M 5PP. Tel: 0171 588 3588. Fax: 0171 256 8501.

COMMERZBANK

German knowhow in global finance



The Northern Trust Company is a leading Global Custodian. Its reputation has been built upon a commitment to providing outstanding customer service, recruiting and developing high calibre individuals, and investing in the technology essential to remaining at the forefront of this competitive industry. Northern is seeking to fill the following key positions within its sales and marketing and relationship management activities.

The successful candidate will be responsible for leading sales and marketing of Northern Trust's services to pension funds, insurance companies and government entities in the UK and Europe. This key senior management role within the London office will provide the opportunity to significantly impact Northern Trust's presence in the market. Interaction with operations, client servicing and product development are all important aspects of this management position. Reporting to the General Manager, candidates should be highly results oriented achievers and will be able to offer:

- A proven track record of sales and marketing and the ability to demonstrate how this experience has enabled them to convert prospects into successful sales.
- Technical expertise in Global Custody or other products within the securities industry.
- Outstanding communication and influencing skills.
- The ability to motivate and lead a professional sales team.
- A high degree of self motivation, together with sophisticated negotiation skills.

Ref: 6280E

The successful candidate will be responsible for managing and developing Northern Trust's relationships with the investment management community. This will involve undertaking formal service reviews, pursuing business development opportunities and resolving complex service issues. Reporting to the Head of Investment Management Liaison, candidates should be able to offer:

- A proven track record of developing and maintaining strong working relationships within a service oriented environment.
- A thorough knowledge of Global Custody or investment management operations.
- The ability to actively identify new business opportunities.
- Strong interpersonal and influencing skills.
- Commercial acumen and maturity to enable them to influence at all levels within investment management organisations.

Ref: 6280F

If you are interested in the positions, please send your CV with current salary details to: Karla Dalton, K/F Associates, 252 Regent Street, London W1R 6HL, quoting the appropriate reference, or alternatively by e-mail to cv@kfaeurope.com

Internet Home Page address: <http://www.kfaeurope.com/kfaeurope/>

K/F ASSOCIATES

MEMBER OF THE CARREFOUR INTERNATIONAL GROUP

# APPOINTMENTS ADVERTISING

Appears in the UK edition every Wednesday & Thursday and in the International edition every Friday. For information on advertising in this section please call:

Andrew Skarzynski on +44 0171 873 4054

## Assistant Director - Export Finance

UK Merchant Bank

Excellent Package

City

Outstanding opportunity for experienced and talented export finance professional to join successful and expanding team.

**THE COMPANY**

- Worldwide banking group with extensive international coverage.
- International export finance is core product area.
- Experienced specialist finance team with very successful, high-profile track record.

**THE POSITION**

- New senior role within growing specialised team responsible for marketing, structuring and executing buyer credit finance.
- Full deal origination, structuring, negotiation and closing responsibility. UK Corporate market sector.

- Member of global team. High-profile, autonomous position offering real scope for using initiative.

**QUALIFICATIONS**

- Proven record of success in sourcing export finance transactions in UK market.
- Minimum 3 years' experience of innovative structured finance transactions. Syndication experience useful.
- Marketing, communication, relationship management and modelling skills key. Committed, motivated, performance-driven, team player.

Please send full cv, stating salary, ref FS60105, to NBS, 10 Arthur Street, London EC4R 9AY



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## Structured Export Finance

Financial Engineer - Global Investment Bank

Excellent Package

City

Unique opportunity for commercially-oriented, robust individual to join newly-established team focused on new product development.

**THE COMPANY**

- Prestigious, innovative, profitable banking group. Success story in investment banking.
- Headquarters in London with office network in over 20 countries.
- Creative, stable team committed to relationship-driven business.

**THE POSITION**

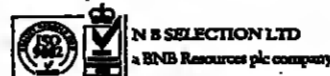
- New role, reporting to head of group. Part of a team working closely with global marketing teams.
- Provide innovative solutions to export finance problems using securities, derivatives and tax-based products.

- Challenge export finance system, develop new products.

**QUALIFICATIONS**

- Demonstrable track record of structuring complex financing packages for projects in developing countries. Knowledge of export finance important.
- Leasing, Tax-driven, Derivatives, Capital markets or Asset finance background.
- Self-starter, versatile and commercially-adept with strong interpersonal and presentation skills.

Please send full cv, stating salary, ref FS60106, to NBS, 10 Arthur Street, London EC4R 9AY



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**Heroes WANTED for THE COLA WAR**

PepsiCo is one of the world's most successful consumer products companies. With a team of 471,000 employees in more than 175 countries, the corporation is an international leader in beverages, the world's largest producer of salty snack foods and the world's largest operator of quick service restaurants.



## PEPSI-COLA INTERNATIONAL

**General Managers - Sales & Distribution**

PepsiCo are planning to take Russia's eastern front by storm. In a country that's twice the size of the US, with a population three times that of the UK, we're planning an extraordinary campaign of expansion.

**Finance Managers**

We are already the dominant force in the market. So we know that the Russian people love our beverages. And by setting up new bottling plants, sophisticated distribution programmes, and hundreds of new customer routes and vehicle fleets, we're going to make sure our customers get what they want, across the breadth and depth of the country.

**Plant Managers**

Our strategic plan is to triple our business here in the next three years, which will create outstanding career opportunities for a few talented people. So we are issuing a unique challenge to top-flight individuals excited by the prospect of starting up new businesses or developing them over the crucial first few years. We are looking for trail-blazers to work as start-up teams; and managers who will come in and really make it happen afterwards. People with the leadership skills to develop, rally and drive forward our plans in Russia, accomplishing goals most people can only dream about.

**Logistics Managers**

**Systems Managers**

You'll be looking for a career-making opportunity in a new country where you can really make your mark. Coupled with significant management experience in any one of five areas and a blue-chip track record, you will also have the ability to empathise with and develop high quality local staff. You must be prepared to move within Russia, and a second or third language to English (particularly Russian, Polish and French) whilst not essential is desirable. Experience in the drinks or bottling industry would also be a distinct advantage.

**Salary US\$ Extremely Attractive**

**+ full expatriate benefits**

**Renewable**

**Fixed-Term Contracts (2-4 Years)**

The challenges you will face are significant. But it's the opportunity of a lifetime and with PepsiCo's backing, the rewards will be equally substantial. We are prepared to tailor a very generous package to satisfy the requirements of the individuals we want. The renewable fixed-term contracts we are offering can be structured to suit you, and there are additional outstanding expatriate packages.

If you think you've got the right spirit of adventure, please send a comprehensive CV including full salary details to: The Response Centre, TCS Advertising, 35 Garway Road, London W2 4QF. Please quote reference number TCS/PR3 on the outside of the envelope. For further information why not look at our internet site on: URL, <http://taps.com/pepsico-russia>



## Project Director - Transportation

Far East

Salary Indicator £100,000 & Accommodation & Benefits

This is a superb opportunity to fully manage a landmark civil engineering/development project with an initial construction value of US\$150m. The project comprises a high capacity bridge, tunnels and adjoining infrastructure works.

The person sought will be in overall charge of construction activities and will lead development appraisals and negotiations, managing in-house and external design teams, consultants and financiers. Previous in-depth experience of project financing is desirable. Far Eastern based experience is a distinct advantage.

Candidates should have a degree in either an engineering or business discipline (ideally both) and a career history of involvement in major projects in senior positions.

The company is presently engaged in a wide range of construction and development activities worldwide in the civil engineering, oil/gas and power generation markets. This project broadens the scope of operations into transportation with the objective of creating a new strategic business unit. This is a long term career opportunity with a successful entrepreneurial company.

Interested candidates should submit their CV's in the first instance to Chris Cheatham (advising the client), quoting reference F71100/WCC at: PRS Limited, Culpitt House, 74-78 Town Centre, Hatfield, Herts, AL10 0JW. Fax: 01707 256881



International Recruitment Consultants



1920-75 YEARS

## The Royal Institute of International Affairs seeks Director

To succeed Professor Sir Laurence Martin

The Royal Institute of International Affairs is a world-renowned independent centre for the discussion, research and analysis of foreign affairs. The Institute was set up in 1920 by former delegates to the Paris Peace Conference in 1919. It received its Royal Charter in 1926.

The successful applicant will take up the appointment on January 1st 1997. Those interested should write to the Chairman, Lord Wright of Richmond, at the RIIA, Chatham House, 10 St James's Square, London, SW1Y 4LE. Closing date for applications is February 29th 1996.

The Institute is a registered charity No. 208223.

## ENERGY TEAM (OIL AND GAS)

Investment Banking opportunity

Competitive salary & banking benefits • London base

Our client, a prestigious US investment bank actively trading world-wide, is looking for an experienced professional at Associate level to join its Energy Team in the Investment Banking Division, based in London.

You must hold an MBA from one of the very top international business schools and demonstrate proven academic excellence, including a good primary degree in petroleum geology or petroleum engineering. In addition to hands-on engineering experience, you will have a recent track record of financial services experience with emphasis on privatisation within the oil and gas industry sector in the Indian subcontinent, gained in a blue-chip investment bank.

You will play a critical role in developing and executing investment banking business in South East Asia, including mergers and acquisitions, IPOs for former state-owned corporations and the emerging private sector, and the co-ordination

and management of other public offerings and private placements of debt and equity securities. The co-ordination and preparation of materials, and exhibits related to business development and transaction execution is also required.

Candidates must have a high energy level, be able to cope in a highly-pressurised environment and have proven interpersonal skills. Fluency in English and at least two Indian languages is essential.

The rewards package and career development prospects are excellent.

To apply, please write with your full CV and quote reference 331, to: Alastair Lyon, Confidential Reply Handling Service, Associates in Advertising, 5 St John's Lane, London EC1M 4BE.

Applications will only be sent to this client but please indicate any company to which your details should not be forwarded.

ASSOCIATES IN ADVERTISING

## INSTITUTIONAL EQUITY/DERIVATIVE SALES

D J Fraser & Co Ltd acts as an Introducing Broker to Mee's Pierson ICS Ltd, servicing domestic & international clients in global equity & derivative markets.

Now in our third year of operation, we would like to hear from individuals/teams who have the ability & motivation to succeed within a small dynamic company.

Salary & performance incentives.  
Reply in writing with full CV to: K.A. Hughes Esq., D J Fraser & Co Ltd, Salisbury House, London Wall, London EC2M 5QQ.  
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**The Top Opportunities Section**  
For senior management positions.  
For information call:

Will Thomas  
+44 0171 873 3779

## MANAGING DIRECTOR CENTRAL ASIAN REPUBLIC

A multinational company is seeking a director of operations in Kyrgyzstan. The applicant should have an MBA degree with an emphasis on international business administration, must speak fluent Russian and English, and be familiar with the economic and political issues of the region. Marketing skills with regards to hardwood timber resources would be helpful, but not required. The candidate should be able to manage a project from planning to implementation and must also be able to work with multinational companies. An overview of the latest economic developments in foreign investment, joint ventures and politics in the newly-formed Central Asian countries would be helpful. A competitive package is available to the right candidate.

PLEASE RESPOND BY FAX TO OUR OFFICE IN HOUSTON AT (713) 789-2268

## MONEY BROKING - CITY

We are currently seeking a young graduate to join our progressive broking firm as a trainee broker. The suitable applicant should ideally be under 25 years of age and smart in appearance. Other qualities to include an ability to communicate, quick mind, personable character and a willingness to work hard. A second European language, ideally French, is preferred and the ability to work in a team is essential. Training will be given; The remuneration will depend on the qualifications of the successful candidate.

Please apply in confidence enclosing CV, to Box AS261, Financial Times, One Southwark Bridge, London SE1 9HL.

## APPOINTMENTS WANTED

YOUNG ENTREPRENEUR (32)

Please write to Box AS798, Financial Times, One Southwark Bridge, London SE1 9HL.

سكزا من الاصل

**Excellent Remuneration Package**

**Worldwide Multinational**

One of the world's largest and most profitable consumer packaged goods companies, manufacturing and marketing a wide range of quality products, continues to successfully grow in Central and Eastern Europe.

At the Headquarters based in Switzerland there is now a business need to recruit exceptional individuals who will have an opportunity to be part of a Corporate Affairs team.

**CORPORATE AFFAIRS EXECUTIVES**  
Central Europe - Eastern Europe

- Superb career opportunities have arisen in Corporate Affairs for two motivated, professional Executives interested in joining a dynamic Headquarters team in Switzerland.
- Reporting to Corporate Affairs regional management, successful applicants will be charged with assessing and responding to challenges and opportunities associated with the legislative and regulatory environments in which the growing businesses in Central and Eastern Europe operate.
- In responding to such challenges and opportunities, Executives will be expected to gain a strong understanding of the business in Central and Eastern Europe; build and refine internal and external corporate relations; and, design and execute strategic initiatives and programmes aimed at ensuring a favourable business environment in these geographic areas.
- Team fit will require applicants to be comfortable being part of a team as well as being able to succeed as an individual contributor. Preferred age range 27-35 years.

- A graduate, preferably in the field of political science, international relations or economics, coupled with the ability to think strategically but operationally deliver, will need to be evident at interview.
- Excellent analytical and communications skills, both verbal and written, are an absolute must. Knowledge of a Central/Eastern European language and/or German would be an additional advantage.
- Academic qualifications must be complemented by at least three years experience with a Public Affairs Agency - or government organisation; preferably with involvement in the emerging markets of Central and Eastern Europe. Ideal candidates will have worked in a public affairs/government relations position with a blue-chip FMCG multinational active in the region.
- Willingness to undertake significant business travel and ability to rapidly adjust to multicultural operating environments are required.

**COMMUNICATIONS MANAGER**

- Continued business growth has created a unique challenge to be part of a growing team based at the Headquarters.
- The successful applicant will report directly to the Director, Communications, Media and Public Affairs and will work in partnership to build and execute a communications strategy in parallel with the continued success of the business.
- This diverse role will cover media relations, input to communications programmes, liaison with company affiliates and internal skills development of Corporate representatives.
- The ability to build and sustain sound interpersonal relationships both internal and external, with limited direction will be key to the success of this role. Cultural sensitivity & adjustment must be self evident.

- Interested applicants must hold a university degree or equivalent and will need to demonstrate a thorough understanding of European and international media, specific to business.
- Excellent written & spoken English supported by a persuasive yet diplomatic manner, coupled with a creative approach to work are considered necessary prerequisites for this role. A second language will be a real asset.
- Applicants must have five years post graduate hands-on work experience in press and public relations preferably in an American/blue-chip corporate environment or a Public Relations Agency. Applicants under 28 years are unlikely to have the depth & level of experience to thrive in this demanding environment.
- Mobility is a must, extensive travel will be part of the brief.

If you feel you have the business and personal qualities to contribute to the continued success of a major multinational, they in turn will provide an excellent platform for development. Please reply in the strictest confidence with full curriculum vitae and covering letter, stating current remuneration package to: **Research Centre: ref. 276 173 229**  
OFA Orest Poulis Publishers SA  
Rue de la Cabelle 6 - Case postale  
1211 Geneva, Switzerland  
Closing date for receipt of applications is 5th February 1996.

**QUANTITATIVE EQUITY RESEARCH**

**for Derivatives Business**

London

Our client is a major investment bank with a high profile presence in global derivatives markets. The Quantitative Equity Research Group works at the leading edge of mathematical and computational science, and now has an opportunity for a research scientist to further develop the techniques for risk management and product analysis. This is a demanding challenge calling for a Ph.D level physicist with 10 years' post-doctoral research experience and relevant expertise in quantitative risk measurement and derivative product analysis including valuations and interest rate yield curves. The crucial computational skills required for the role include:

- Hardware design
- Software design for data and event-driven systems
- C, FORTRAN, UNIX
- Client Server process design; multi-thread applications
- X-Windows, GUTS, TCP/IP, Oracle, SPARC

• RISC facilities to perform large volume data reconstruction.

Your track record in research will have given you exposure in presentations at international conferences and seminars, and involved you in collaborative projects with laboratories and universities. Your intellect must be complemented by the interpersonal skills to lead and direct teams of scientists and engineers on research, data analysis and computational implementation projects. Ideally there will be scholarships and/or awards amongst your achievements. These are exacting parameters for a highly challenging role. The rewards on offer, along with the career prospects, are everything your talents deserve.

Please send your C.V. to: **Alastair Lyon**, Confidential Reply Handling Service, Ref 333, Associates in Advertising, 5 St John's Lane, London EC1M 4BH. Your application will only be sent to this client, but please indicate any organisation to whom your details should not be forwarded.

ASSOCIATES IN ADVERTISING

**MANAGER PRIVATE BANKING**

**Cayman Islands**

Business Development and operational responsibility for IPB unit with focus on trust, corporate administration and banking services for HNWI's. Substantial marketing experience of offshore trust and private banking services is essential. Contact **Brian Bridson LLB** ACA on 0151 625 0565. Financial Recruitment International, Southmead, Long Hay Road, Cady, Wirral, L48 1LY, England. Fax: 0151 625 0058

**JAPANESE EQUITIES ANALYST**

Independent fund management company seeks Japanese Equities Analyst. Must have a good degree in a finance related discipline and a minimum of 2 years' analytical experience with a financial institution in Japan. Must be bilingual in English and Japanese, computer literate and willing to travel. Competitive package offered. Reply in writing with full C.V. to **Box A5257, Financial Times**, One Southwark Bridge, London SE1 9HL.

**FINANCIAL OPTIONS CLERK**

Responsible, motivated person needed for options trading company on LIFFE. Applicants should be numerate and must have a specific desire to progress to trade financial options. The successful candidate will participate in a comprehensive training program. No prior industry experience is necessary. Respond to **Box A5258, Financial Times**, One Southwark Bridge, London SE1 9HL.

**Les Echos**

The FT can help you reach additional business readers in France. Our link with the French business newspaper, Les Echos, gives you a unique recruitment advertising opportunity to capitalise on the FT's European readership and to further target the French business world.

For information on rates and further details please telephone:

**Toby Finden-Crofts on +44 0171 873 3456**

**GRADUATES For the City**

Applications invited from exceptional recent or experienced graduates for 5 positions in accelerated career programme with private firm. Contact:

**JOHN KILBURN-TOPPIN** (0181) 240 4292 or 397 5044

FINANCIAL RECRUITMENT INTERNATIONAL

**ACCOUNTANCY APPOINTMENTS**

**Corporate Finance Due Diligence**

London

Excellent packages

- With an enviable number of blue chip clients, Ernst & Young's Due Diligence team is regularly involved in a significant number of major UK and international transactions and forms the largest component of the firm's increasingly high profile Corporate Finance department.
- Central to the continued growth of the Due Diligence team is the appointment of a number of ambitious, commercially oriented due diligence managers and senior managers.
- Developing key relationships with senior executives from a wide range of clients and financial institutions you will have a vital role in the successful completion of corporate finance assignments. Responsibilities will encompass the project management of pre and post acquisition reviews, stock exchange work and special projects.

- To take full advantage of the outstanding career development opportunities it is likely that you:
  - Have proven due diligence expertise gained with a large plc or accountancy firm.
  - Have a good academic record as well as a professional accounting qualification.
  - Are an energetic team player with excellent written, interpersonal and presentation skills, and proven people management abilities.
  - Have a high level of commercial acumen and are committed to adding value to the due diligence process.
- Relocation assistance can be provided for successful candidates currently based outside of London.

Please send your curriculum vitae, including current remuneration, to **Richard Pooley** or **Susan Millard** at Ernst & Young Management Recruiting, Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 1NH, quoting reference: **RP894**.

**ERNST & YOUNG**

**European Finance Manager**

West London

£45,000 + Package

Our client is a US\$2 billion turnover distributor of networking and cabling systems.

Trading since 1957, the company has grown to become one of the leaders in its field with a truly worldwide distribution network and employing more than 4,000 people. Due to a recent restructuring within Europe, the European headquarters are being relocated from Brussels to West London.

In order to strengthen their financial and commercial expertise, our client is seeking to appoint an experienced European Manager with strong communication and technical skills with the ability to become an integral part of the management team.

Working closely with the regional accountants, the role encompasses not only the development

of the systems and accounting procedures but also the development of the individuals within the Finance team. Critical to the success will be the ability to develop strong working relationships across the group.

Candidates will be qualified with a proven record of senior management experience from within a European Head Office/Operating division. The successful individual must demonstrate well developed interpersonal skills along with high levels of personal presence, maturity and commercial acumen in order to make a positive contribution to the continued growth of the company.

Interested applicants should write enclosing an up-to-date curriculum vitae, quoting reference number 247443 to **Laurence Pengelly** at **Michael Page Finance**, Page House, 39-41 Parker Street, London WC2B 5LH.

**Michael Page Finance**

Specialists in Financial Recruitment  
London Bristol Birmingham Edinburgh Glasgow Leatherhead Leeds  
Maidenhead Manchester Nottingham St Albans & Worldwide

**FINANCIAL CONTROLLER**

PACKAGING - SUB OF US MULTINATIONAL

SOUTH OF ENGLAND

TO £45,000 + CAR

Our client is a US based multinational and a brand leader in its field. Their UK subsidiary, part of their worldwide packaging division, seeks a high calibre Financial Controller to oversee the total finance function.

You will report to the General Manager and be a key member of the management team with overall responsibility for the total finance function which also incorporates treasury, taxation and information processing. You will control a small, highly motivated team and make a strong contribution to the formulation and implementation of the Company's future long term plans and strategy.

You will probably be in your mid 30's, be a qualified accountant, preferably with a degree or an MBA and have worked in a responsible role in a finance function of a major

multinational company preferably in a manufacturing environment. First class technical, IT knowledge and interpersonal skills are a prerequisite, as is hands-on style. You must be highly motivated with strong leadership qualities and above all, you must have the strength of personality, intelligence, commitment and flexibility to succeed in a competitive and commercial environment poised for growth.

This is a career development opportunity and will appeal to those candidates seeking to advance their careers with a major multinational corporation in a European environment.

If you are interested, please send your CV in confidence to **Stuart W J Adamson** FCA, quoting reference number 4010 to **Adamson & Partners Ltd**, 10 Lisbon Square, Leeds LS1 4LZ. Telephone number 0113 245 1212. Fax number 0113 242 0802.

**ADAMSON & PARTNERS**

INTERNATIONAL EXECUTIVE SEARCH & SELECTION

**FINANCE DIRECTOR**

Paris

Our client is the French operation within a significant division of a major UK Plc which operates in over 100 countries worldwide.

This role reports to the Managing Director and will be instrumental in maximising the potential of the business. Responsible for a professional team you will:

- Review and develop all systems and controls to the highest standards.
- Ensure timely and accurate information is provided to the London Head Office.
- Provide commercial analysis and interface with both the marketing function and customers.
- Support the Managing Director in driving the business forward.

As a qualified Accountant, you will have well-developed leadership skills and a strong affinity with computerised systems. You will have used your broad financial management experience to contribute, in commercial as well as financial terms, to the bottom-line. You must have also successfully and positively influenced your non-finance peer group.

It is essential that you have worked in France, almost certainly for a large international group, and must be able to operate with equal ease in both French and English. Experience of an environment with a significant element of distribution and/or marketing would be ideal.

Interested candidates should write with full CV, quoting current rewards package, to **Karen Wilson**, Hoggett Bowers, 7-9 Bream's Buildings, Chancery Lane, London EC4A 1DY. Tel: 0171 430 9000, Fax: 0171 405 5995 quoting ref: **HKW/12005/FT**.

**Hoggett Bowers**

EXECUTIVE SEARCH & SELECTION



Cambridge

c.£55k + Exceptional Benefits

## FINANCE DIRECTOR

Unipalm PIPEX is one of Europe's foremost Internet services providers. This reputation has been achieved by consistently leading the industry in providing commercial quality internet solutions to the business sector. We are a wholly owned subsidiary of UUNET Technologies Inc., and growing at a rate in excess of 300% per annum to meet the continuing demands of our customers in embracing new technology solutions. This rapid pace of expansion requires us to strengthen our business operations with a new appointment of Finance Director reporting to the European Finance Manager.

The role will encompass:

- Full financial management and control
- Provision of commercial advice to business units
- Liaison with and reporting to our US Parent Company
- Development of new finance and reporting systems
- Business Planning and Forecasting

You are:

- Of graduate calibre and holder of a recognised accounting qualification
- Experienced in US GAAP
- A high energy person who enjoys a fast moving environment
- A senior professional in the finance function of a high tech company
- Enthusiastic about IT solutions with experience of implementation

Our continued growth offers excellent career development opportunities in existing and future businesses throughout our worldwide organisation. We offer an attractive package including a salary of c.£55k, fully expensed car, private health and attractive stock options.

If you want to rise to the challenge, then please fax or send your CV, quoting reference number 9496A2, current salary details and where possible daytime telephone number, to our advising consultants, Goodman Graham & Associates, 8 Beaumont Gate, Shenley Hill, Radlett, Herts WD7 7AR. Fax: 01923 854791.

Further information on Unipalm can be obtained on the Internet: <http://www.unipalm.pipex.com>



**CYPRUS**  
c. \$65,000  
+ BONUS

### UNIBROS (HOLDINGS) PLC

With sales in excess of \$600 million and over 40 offices world-wide UNIBROS (HOLDINGS) is enjoying exceptional growth in the 1990s. Primarily involved with the production, marketing and sales of raw materials from global producers to developing and Western markets, they are an acknowledged leader in their field. The company wishes to recruit the following finance professionals to help drive the next phase of their growth.

#### GROUP FINANCIAL CONTROLLER

Reporting to the Finance Director, the Financial Controller will manage a team head office accountants and local finance managers. The primary responsibilities are to spearhead the implementation of effective financial controls and systems and to develop management reporting for the group and its operating companies. Though the position is based in Cyprus, the Financial Controller will visit all overseas offices on a regular basis and will be expected to make a major impact in maintaining and enhancing the financial integrity and profitability of the business.

#### FINANCIAL SYSTEMS CONTROLLER

The position reports to the Board and operates with support from Head Office Responsible for the world-wide review of financial, operational and management controls, you will identify potential areas for improvement, recommend changes for increasing efficiency and profitability and then implement and subsequently monitor the effectiveness of the agreed changes. This commercial role involves extensive travel, regular contact with local management at director level and offers considerable scope for personal decision making.

Applications are invited from qualified accountants aged 28 to 35 with international experience gained on assignment or in an overseas posting. Fluent in English and, ideally, another foreign language, you will be keen to develop your financial and commercial skills in a dynamic, multi-cultural business. The positions benefit from low local taxes, offer relocation assistance and prospects to move to more enhanced financial or commercial roles. Please forward your CV to Andrew Thornton at Russell Thomas Associates Ltd., Premier House, 77 Oxford Street, London, W1R 1RB, England Telephone: +44-171-494 3374; Fax: +44-171-434-1344

**RUSSELL THOMAS ASSOCIATES**  
FINANCIAL RECRUITMENT CONSULTANTS

North Home Counties £50,000 + Car & Usual Benefits

## Finance Director

Our client is a large manufacturing company operating in the Rubber and Textile industry serving niche markets in Europe and the rest of the world. The operation is growing rapidly and it now needs a Finance Director who will report to the Managing Director, control the whole of the financial input and play an important part in the future development of the company.

Some 80% of turnover derives from overseas, so the successful candidate will be thoroughly familiar with an international trading environment as well as being a well qualified and experienced accountant, probably aged late 30's upwards. Such experience will have included the development of computerised management information and control systems and the management of external finance. It will also include full cash management responsibility.

This position is demanding. It calls for a hands-on team leader who leads by example to standards impressive to visiting overseas customers.

Letters of application, together with CV, salary progression and any other relevant data, should be sent without delay to the Managing Director, Performance Management Limited, Administration Unit, 28 Park Mount Drive, Macclesfield, Cheshire SK11 8NT, quoting reference P202.



Performance Management Limited  
MANAGEMENT CONSULTANTS

## DAWSON

DAWSON FUR FABRICS LTD  
A member of DAWSON INTERNATIONAL PLC

### FINANCE DIRECTOR

Dawson Fur Fabrics with operations in West Yorkshire and Holland is the specialist fabrics division of Dawson International plc and is the market leader in Europe for its products with sales of around £40 million.

We are seeking a Finance Director who will report to the Managing Director, will take full responsibility for finance and information technology within the business and be a key member of the management team.

The business operates in a dynamic international market environment and has very successfully managed continual change to establish and maintain its leading position within the industry.

Candidates will be qualified accountants with experience in manufacturing industry and will probably be aged between 30 and 45. A strong commercial outlook is required as well as experience in modern management accounting techniques in a computerised environment.

The appointment, based in Huddersfield, carries an excellent remuneration package, including relocation expenses where appropriate.

Career progression is encouraged throughout Dawson International plc which is a leading Scottish based international textile and apparel Company.

Applications giving full details of relevant qualifications and experience should be sent in the first instance to:

Mr Neville R. Barnes, Personnel Executive,  
Dawson International plc, Locklever Mills  
Kirkstall KY13 7GL

MEMBER OF DAWSON INTERNATIONAL PLC

## DIRECTOR OF FINANCE

The company is a fast growing, £170 million turnover, stand-alone UK subsidiary of a major US group and is a market leader in the provision of electronic products and services. It is ISO9000 and MRPII class A certified. An internal promotion has now created the need for an exceptional Director of Finance to join the senior management team.

#### The Position

- Report to the Managing Director and with total responsibility for the finance function.
- Contribute to policy formulation and strategic planning.
- Ensure the accurate and timely production of financial and management accounts, budgets and forecasts.
- Spearhead information technology initiatives.
- Act as Company Secretary and Pension Fund Trustee.

#### The Requirements

- Qualified accountant, ideally chartered; graduate calibre.
- At least 10 years' experience as Financial Director or Controller level probably gained within a high volume manufacturing business.
- A familiarity with complex standard costing systems.
- Treasury, credit control and company secretarial experience.
- Self-starter with high energy levels and strong organisational and communication skills.

If you are interested in this position, please send your CV with current salary details to: Geoffrey Mather, K/F Associates, 232 Regent Street, London W1R 6HL, quoting ref: 90907/18, or alternatively send by e-mail to [cm@kfaeurope.com](mailto:cm@kfaeurope.com)

Internet Home Page address: <http://www.kfaeurope.com/kfaeurope/>

**K/F ASSOCIATES**

FINANCIAL RECRUITMENT CONSULTANTS

## Les Echos

The FT can help you reach additional business readers in France. Our link with the French business newspaper, Les Echos, gives you a unique recruitment advertising opportunity to capitalise on the FT's European readership and to further target the French business world. For information on rates and further details please telephone: Toby Finden-Crofts on +44 171 873 3456

## GlaxoWellcome

An invitation  
to explore Finance and IT  
opportunities with the world's  
largest pharmaceutical company

Meet us  
for an informal discussion and a buffet  
in Central and West London  
on Tuesday 30 January or Thursday 1 February  
any time from 4.30pm to 8.30pm

Glaxo Wellcome is the world's largest pharmaceutical company, with sales of c£7bn in 1995. We are currently enhancing our position through continual innovation in products and services, and highly customer-focused business management.

As Glaxo Wellcome's customers and markets change, the need for high quality information and decision support becomes critical. This, together with the introduction of a process-driven approach to operations, is leading to the redefinition of roles and the creation of new opportunities for Business Advisors, Business Analysts, Financial Analysts, Project Managers, Information Analysts and Corporate Planners.

We seek high potential individuals, preferably graduates, with skills in cross-functional working, proactive problem-solving and creative thinking. Some roles require an MBA or post graduate accounting qualification.

While you will probably have a large company background, broad functional experience in a dynamic emerging business is also of interest, and a customer-focused approach is vital.

The roles, based West of London, attract salaries up to £45,000 plus benefits and relocation assistance where appropriate.

Please telephone our retained consultant, Sue Roestor, on 01727 857755 for details of the vacancies and to reserve your place. If you cannot attend but would like to know more please write enclosing your CV, to Sue at Barrett Webb Limited, Ashbottle House, Lower Dagnall Street, St Albans, Herts AL3 4PA. Fax: 01727 812885.

Barrett · Webb  
Search & Selection

### ACCOUNTANTS - ANALYTICAL

South Africa - Russia - Brazil - Argentina

Our emerging markets group requires accounting analysts capable of examining and evaluating financial statements of companies from various parts of the world. Candidates should be university graduates with auditing experience and an interest in detailed investigative work. Experience in asset value estimation will be a plus. Travel could be extensive and continuous. You may be based in South Africa, South America or Russia.

Candidates should fax or post their curriculum vitae and an application letter to the address below. The curriculum vitae should include details of qualifications and work history and the application letter should include expected salary and when you will be available.

Apply to Dr Mark Mobius, Templeton Emerging Markets,  
20 Raffles Place # 10-103, Ocean Towers, Singapore 048621,  
Tel: (65) 534 0476 Fax: (65) 534 5274

Templeton: Part of the \$132 billion Franklin Templeton Group

Templeton

## ROYAL DOULTON

### Financial Controller: Jakarta, Indonesia

Royal Doulton plc, the world's largest manufacturer and distributor of premium ceramic tableware and giftware, seeks a Financial Controller for its newly formed manufacturing company in Indonesia.

The ideal candidate will be a qualified accountant with a successful track record in a manufacturing environment, who can combine a good intellect and high communication skills, with the personal qualities and flexibility required in such an assignment.

Success in this role will lead to further career opportunities at group or operating company level.

The remuneration package includes a good base salary, foreign service allowance, bonus, health insurance, car and pension scheme.

The successful candidate will play an important part in the subsidiary's manufacturing and commercial operations near the capital city of Jakarta, where a strong U.K. management team is being put in place.

He or she will be responsible for the preparation of monthly management accounts, the design implementation and administration of information systems, and the training and development of local finance staff. The role will also involve regular liaison with Royal Doulton's finance and commercial operations in the U.K., and with its marketing and distribution companies in the U.S.A., Canada, Australia and Japan.

This is an exciting start-up opportunity in what is intended to be a fast growing and profitable sector of the Royal Doulton business.

Applications, which will be treated in confidence, should be made in writing with a detailed CV to:

MRS LINDA MORRIS  
PERSONNEL AND TRAINING MANAGER  
ROYAL DOULTON PLC  
MINTON HOUSE

LONDON ROAD  
STOKE-ON-TRENT  
STAFFORDSHIRE ST4 7QD.

صكنا من الاصل

## EUROPEAN FINANCIAL CONTROLLER

Barking, London  
c.£42,500 + Car

TRANSAMERICA TRAILER LEASING, part of the prestigious San Francisco based Transamerica Corporation is a market leader in the provision of over-the-road equipment. Reporting to the General Manager (Europe), this key position controls all financial reporting and strategy for Europe. Based in Barking, East London, travel can be expected both within Europe and to the US.

### THE COMPANY

- Fastest growing trailer leasing Company in Europe with over 8,000 units and sales of \$71m
- Subsidiary of a major US multinational with substantial assets worldwide
- Dynamic and fast moving management culture

### THE PERSON

- Technically proficient Qualified Accountant (ACA/ACCA/ACMA) with 3-5 years PQE
- Accounting experience gained in Europe, ideally Belgium, with knowledge of US GAAP
- Fluency in Dutch, German or French is essential
- Commercially astute and business orientated
- Strong IT systems skills including PC packages

### THE ROLE

- Responsible for financial planning and reporting for all European businesses
- Liaison with key decision makers in the formulation of medium term strategy
- Control reviews for operating divisions: supervision of staff in UK and Belgium
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Please apply enclosing full CV, quoting ref. 1210, to Vikki Sly at Robert Half, Princess Beatrice House, Victoria Street, Windsor, Berkshire SL4 1EH. Telephone 01753 857777 or fax on 01753 841676 (24 hour answering service).

As retained consultants, any CVs submitted directly to our client will be forwarded to Robert Half.

## GLOBAL INVESTMENT MANAGEMENT

Audit Manager

CENTRAL LONDON

c£50K + CAR + BENEFITS

Our client is one of the leaders of the financial services industry with a market capitalisation of £8 billion. The investment management operation manages funds in excess of £70 billion, through offices located in their main markets around the world.

Working within the professional group internal audit team, the brief is to strengthen and manage the audit programme for the global investment management business. This will require up to 25% overseas travel. The role offers an excellent opportunity to join the Group financial team of a major public company, and build a long term career with a successful organisation.

You will have to develop a close working relationship with senior investment professionals. You will possess strong

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You must be able to demonstrate a successful record in the audit of investment management companies. Qualified individuals, from either the audit profession or the investment management industry, will be considered. Those with the right experience will have had personal responsibility for a major new account or similar large scale project.

Please write in confidence, with full career and salary details, to Gemma Jenkin, MSL International Limited, 32 Aybrook Street, London W1M 3JL. Please quote reference 58039.

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## Finance Director

Birmingham/London

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Our client is a well established, leading professional practice which, in common with other professional firms, is undergoing a process of significant change. The management team has ambitious plans for growth and now wishes to appoint a Finance Director to further strengthen the Board.

Reporting to the Managing Partner, responsibilities will be broad and include strategic contribution to the firm's development, through the provision, analysis and evaluation of appropriate financial information. Additional key tasks will include the development of the firm's systems and procedures, as well as managing relationships with professional advisers and bankers.

KPMG Selection & Search

Candidates must be qualified Accountants with at least five years' operational experience in a senior finance role within a medium/large sized services organisation, where their remit has been necessarily broad. An empathy with partnership environment is preferred although not essential. The firm seeks a committed, disciplined and mature individual who has first class interpersonal skills and sound commercial acumen. A comprehensive remuneration package is offered.

Applicants should write, enclosing full career and salary details, quoting reference B743/96, to Alison Hann, KPMG Selection & Search, 2 Cornwall Street, Birmingham B3 2DL.

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## Vice President - Finance

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To succeed, you will need to be a proactive and robust individual with proven analytical, financial planning and business development skills. Ideally an MBA with an outstanding academic background, you must be able to demonstrate a track record of increasing responsibility and meaningful contribution to business performance. The capability to work across functions in achieving growth and managing change is essential, as is the ability to communicate and influence at most senior levels. The successful candidate should not want to limit their future career to this role.

Please send full personal and career details, including current remuneration level and daytime telephone number, in confidence to Adrian Edgall, Coopers & Lybrand Executive Resourcing Limited, 1 Embankment Place, London WC2N 6NN, quoting reference AEB17 on both envelope and letter.

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## Group Financial Controller

c.£60,000 + car + benefits West Yorkshire

### About Us

We are a prominent public company in the chemical industry. We are highly diversified with widespread international interests. Over the past few years we have not always had an easy ride, but we are now looking forward. At the centre, we have a new management team and are working through a major programme of change and restructuring. We accept that the road ahead may still be bumpy over the months to come. However, the challenges we face are exciting and we are optimistic about our future.

### The Role

This will be very much the number two to the Group Finance Director, supporting him in many of his duties and deputising for him in his absence. In addition to the provision of financial information, annual accounts and day to day financial control and consolidation, you will be actively managing budgeting, forecasting and capital and central costs. The role is, however, much wider than merely controlling numbers. You will undertake a variety of projects, provide financial support to group management and to the investor relations programme. Only your own ambitions and ability will restrict you in developing this role. We are looking for someone who wants to progress and can take on more.

### About You

You will be a qualified accountant, probably in the age range 33-45. You will have management experience in controlling a corporate accounting team (ideally with international subsidiaries) in a listed manufacturing or industrial company. You will have a track record of

achievement and be well used to dealing with senior management of various disciplines. You will be familiar with statutory accounts within a public company, IS literate and can hold your own with product costing. In personal terms, you will be tenacious and robust, but still have sufficient sensitivity to communicate and interact effectively and be a strong team player. You will be eager to take on responsibility and be both intelligent and commercially aware. You will also need a sense of humour at times.

### Why this could be the role for you?

If you lack confidence or are looking for an easy option - forget it. This is not the job for you. However, if you like a challenge, progression and working alongside a Finance Director who will delegate and give you as much responsibility as you can cope with, this could be what you have been looking for. This job will provide you with exposure at the highest level and could well be the stepping stone you need in order to become a finance director.

### Next Step

Please write to our advising consultant, Jenny Mayes, quoting reference G/0075 at the address below. Alternatively if you would like a discreet conversation about the role, please call her on 0121-200 3000.

Executive Search & Selection,  
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## Financial Controller

Major US real estate group needs key player for European growth plans

c.£50,000 package London based

### The Company

A leading US real estate investment group, we have just established a £500 million subsidiary in Europe, with plans to add further companies in due course. We are seeking to hire flexible, multi-skilled, multi-talented and smart people.

### The Role

You'll work directly alongside the European managing director (an American) and take responsibility for the day-to-day financial matters including overseeing the flow of funds. The immediate learning curve will be steep, particularly in relation to the various financial modelling tools/spreadsheets that we use. Assisting with presentations to financial institutions, some regular travel to the continent and heavy liaison with the US is also part of the role. Beyond that, in a multi-skilled environment, we will use whatever additional talents you can bring to the team. As European affiliates grow, and as you demonstrate your capabilities, significant opportunities for growth in responsibility and title will emerge.

### About You

Probably a graduate CA with a sound accounting/forecasting base of knowledge. If you have 'Big 6' accounting firm or major corporation experience and/or an MBA - and maybe even some corporate finance exposure, then so much the better. You'll relish the stimulation of an intellectually challenging work environment that demands deep reserves of mental and physical energy. At present we're a small office so the need for teamwork is vital.

### Next Step

This really is a rare opportunity to get in early on a venture that is going to grow significantly. We're making a big commitment to building a business over here - it's a great time to join. State your case and write to our advising consultant, David Hunter, quoting reference L1617/FT. Executive Search & Selection,  
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## Two Outstanding Finance Opportunities

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### Financial Controller

Reporting to the Financial Director, responsibilities will include the leadership and development of a large team, and the ongoing improvement of the quality of financial and statutory reports to increasingly tight deadlines. Liaising closely with senior management, the appointee will be expected to provide the highest quality technical and commercial support on all financial issues.

The successful candidate will be a qualified accountant (preferably Chartered), aged 30-40 with a successful track record of management and financial control in a fast moving environment. Technical excellence, a resilient character and the ability to communicate and influence effectively across all levels and functions will be essential in this high profile role.

Interested candidates should write including comprehensive CV to David Trappell at Michael Page Finance, Centarion House, 136-142 London Road, St Albans, Herts AL1 1SA, quoting current remuneration and, where possible, day time telephone number.

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### Head of Analysis & Planning

Reporting to the Financial Director, the main objective of the role is to provide incisive financial information and analysis in order to optimise financial performance and support company objectives. Specific responsibilities will include evaluating and improving current financial systems, working closely with heads of department to ensure accurate budgeting and forecasting, and developing skills and efficiency within the Analysis and Planning team.

Probably CIMA qualified, candidates must have recent pharmaceutical experience and knowledge of (PPRS). Personal qualities will include strong management and analytical skills, coupled with the energy and ambition to make a success of this challenging role.

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It is a challenge which will involve the assimilation of a broad range of information, extensive travel to dealers around the region and in-depth analysis of performances and processes. You'll be based at home, you'll set your own agenda and you'll use your energy and initiative to deliver tangible results. Your brief will encompass virtually every area

of the business, including the evaluation of prospective new dealerships and close involvement in the ongoing development of financial reporting systems.

A professionally qualified accountant with a dynamic personality and exceptional communication skills, your talents for financial analysis, company structuring and computer modelling must be balanced by the ability to persuade and influence others through charisma and credibility. In-depth knowledge of franchise business management, ideally motor dealerships, will be important. So too will be an understanding that profitability and service quality must go hand in hand.

This is an exceptional opportunity to make an indelible mark on the future of our growing business. The prospects are outstanding and so are the rewards, with an excellent package including a car, second car option, non-contributory pension scheme and relocation assistance where appropriate.

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The successful candidate will be a graduate Chartered Accountant (or equivalent) with a minimum of 8 years' exposure to the international financial services sector, gained through either internal or external audit at management

level. Equally important will be a proven track record of applying sound technical skills in an innovative way, excellent organisational skills and the ability to meet strict deadlines.

Any Curriculum Vitae sent by third parties to the Bank of Bermuda will be forwarded to Harrison Willis.

Interested candidates should apply with full career and salary details to either Jennifer Ogden or Lisanne Vae at Harrison Willis, Cardinal House, 39-40 Albemarle Street, London W1X 4ND or contact them on +44 171 629 4463, evenings and weekends on +44 1727 867645. Fax: +44 171 491 4705.

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## CONTROLLER - CENTRAL ACCOUNTING

c.£45,000  
+  
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Our client is the highly successful UK division of a major international services group which is a leader in its field.

The UK division is made up of a number of companies in different sectors which are all supported by a central services unit. The division now seeks a finance professional to head the finance area of this unit, responsible for the operation of ledgers/financial processes and the provision of information for group consolidation.

Reporting to the UK Group Finance Director with responsibility for a team of 35 staff, your remit is to upgrade, develop and put in place the systems, controls and procedures to transform the unit into a high performance operation.

Key to your success in this role will be your ability to build and maintain credibility with divisional Financial Controllers by understanding and meeting the requirements of these business units.

For this demanding role we are seeking a qualified ACA/CIMA/ACCA with strong technical and up-to-date systems skills together with management experience in a similar operation. The company is in the process of implementing JD Edwards computer system on an international scale, therefore exposure to this system would be of considerable value.

If you would like to be considered for this high profile and demanding role offering future career opportunities within the Group, please send your Curriculum Vitae to our advising consultants Suzanne Swycher or Neil Wax at FSS Financial, Charlotte House, 14 Windmill Street, London W1P 2DY. Tel 0171 209 1000 or fax 0171 209 0001.



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The Managing Director of the Division requires a dedicated divisional financial controller to support him in managing and controlling the various autonomous international business units of the Division both from a financial and operational perspective.

This hands on role will encompass both strategic and operational responsibility for the review, control and development of businesses within the Division, including extensive involvement with the integration of recent and future acquisitions.

Liaison and exchange of information with and between Corporate Finance, Treasury and IT departments on a timely basis for Group reporting will be essential and support will be provided by those corporate functions.

It will be necessary to bring strong financial and commercial ability to the role. An outgoing and approachable personality is essential in order to develop close working relationships with the management teams of the business units. Participation in or an involvement in sport is welcomed.

Candidates will be qualified accountants within an age range of circa 35 to 45 who currently hold a senior financial position and can demonstrate drive and achievement within an international brands environment.

A competitive remuneration package will reflect the importance attached to this new appointment.

Please write enclosing full curriculum vitae quoting ref: 173 to:  
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Fax: 0171 925 2336

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COMMENT & ANALYSIS



Philip Stephens

Political punch-up

Both main parties are treading gingerly on the issue of sport on television to avoid a confrontation with Rupert Murdoch

As things stand, sport will soon vanish from most of the television screens in British sitting rooms. A handful of prestige events such as soccer's FA cup final and the Wimbledon tennis championships may, or may not, escape this fate. But to follow the fortunes of a favourite soccer or cricket team or to watch regularly the best golfers, athletes and tennis players, fans will be obliged to pay a fee to Rupert Murdoch's British Sky Broadcasting television network. Needless to say, Mr Murdoch will not underprice his product.

BSkyB from exploiting more ruthlessly its hold over every other significant sporting occasion. As an aide was overheard remarking, Mr Blair wants the votes of the fans, but not to cause "needless offence" to Mr Murdoch. Return for a moment to the story so far. Since its creation from the merger of the old Sky network and its failed rival, BSE, BSkyB has used sport as the driving force to sell subscriptions to its satellite network. Sky Sport has spent hundreds of millions of pounds buying exclusive broadcast rights to most top-class soccer, cricket, golf and rugby tournaments. In the case of rugby league it has bought the whole game.

gates recorded highlights of Premier League soccer and live radio rights for England's overseas cricket matches. Sky Sports has also held back from seeking monopoly coverage of eight events deemed in the 1990 Broadcasting Act to have a special place in the nation's heritage. These include the Grand National steeplechase and the Olympics as well as the FA cup and Wimbledon finals. The Act prohibits the televising of these on the "pay-per-view" basis, where viewers pay a fee for each programme. But Mr Murdoch is perfectly entitled to buy them for Sky Sports for as long as it remains a monthly subscription channel. No one doubts he will do so as soon as he judges the political climate to be right. Witness his £1.2bn bid for European broadcasting rights to the Olympics.

fewer viewers than the terrestrial stations, but the fans can watch their favourite teams for much longer. Satellite television has also financed an improvement in the dismal condition of the nation's stadia, not to say the six-figure salaries which are now widespread in sport. So it is hardly surprising that the leading lights of the Football League, the Test and County Cricket Board and the Rugby Union turned out in force at Mr Murdoch's command this week to insist they retain a right to sell their product to the highest bidder. But rights cannot be so narrowly defined. The interests of the self-perpetuating oligarchies which dominate national sport must be set against the wider interests of all consumers. Be it in no doubt, Mr Murdoch is building a monopoly. He is not interested in competing in the marketplace but in rigging it. If his predatory purchasing succeeds in driving the BBC and ITV out of sport, he will be able to name his own price for subscriptions to Sky Sports.

Not popular with German population

From Mr Günter Habermann. Sir, It is not surprising that no senior German politician is joining the meeting in Brussels to promote Emu ("Germans snub single currency conference", January 16). It is not very popular to promote things ordinary Germans don't want. Why take silver when you will lose your gold? When German finance minister Mr Theo Waigel announced that Germany did not meet the Maastricht criteria in 1995 a few days ago ("Germany failed Maastricht test", January 10), it came to my mind that Germany could (deliberately) fail to meet the criteria in the future. As Mr Waigel will not allow the criteria to be changed, he might be bold or clever enough to let the Euro start without Germany. Luxembourg is a good starter for Emu as it has a long experience in sharing a currency with Belgium.

Threat to UK defence tendering

From Mr Alan Mawer. Sir, Your article "Land Rover set for Army order" (January 16) misses an essential point. The ambulance contract was put out to competitive tender. Manufacturers - European and British - were invited to compete. The rigours of Ministry of Defence trials are not cheap. Steyr Daimler Puch will have spent upwards of £5m during the three-year project. That the Steyr vehicle won and was the recommendation from the Ministry of Defence seems now in little doubt. As a result of the intensive lobbying campaign, the defence minister will choose Land Rover, conveniently ignoring the results of a competition designed and very efficiently managed by his procurement departments. These competitions, according to a statement made by Mr James Arbuthnot, minister of state for defence procurement (Hansard, October 17 1995), have been the key to reducing the cost of procurement and improving the competitiveness of the UK defence industry and have concentrated resources on enhancing the capabilities of our frontline troops. That competition is the only way to find the equipment which is the most operationally efficient and best value for money is in no doubt. To ignore the results of such competition will deprive the frontline troops of the best equipment available and ensure that the taxpayer does not receive the optimum value for money.

More importantly, hastily to ignore a recommendation from the procurement department in favour of a "Buy British" campaign will ensure that few, if any, companies will ever again risk the UK competitive tender system. Not only will the frontline soldier be deprived of the best available equipment, but once again the Ministry of Defence and taxpayer will be at the mercy of a British defence industry deprived of competition. Alan Mawer, director, Automotive Technik, 7 Lawson Hunt Industrial Park, Guildford Road, Broadbridge Heath, West Sussex RH12 3JR, UK

Alan Mawer, director, Automotive Technik, 7 Lawson Hunt Industrial Park, Guildford Road, Broadbridge Heath, West Sussex RH12 3JR, UK

Turning point for Italy should be credited to Dini

From Mr Francesco Giavazzi and Mr Carlo Favero. Sir, Lex on Italy (January 16) fails to distinguish between the Dini and the Berlusconi governments, and thus does not do justice to the former. When Mr Dini took over in February 1995 the spread between Italian and German 10-year bonds had risen to 630 basis points - from 250 at the beginning of the Berlusconi government: it is now back to 450. Over the same period the differential between 10-year BTs [government bonds] and the fixed interest rate on 10-year swaps - a good measure of issuer risk - fell from 150 basis points to below 30. The lira strengthened vis-a-vis the D-Mark from 1100/1200 during the spring to below 1060. The Dini budget for 1996, approved by parliament before the resignation of the government, reduces the public sector borrowing requirement from 7.4 per cent of gross domestic product in 1995 to 5.8, with a surplus net of interest that rises from 3.4 to 4.3 per cent of GDP. For the first time in 20 years the debt-to-GDP ratio at the end of 1996 will be below its level at the start of the year. Admittedly, pension reform

has been weaker than necessary, and further adjustment will be needed. But, in sharp contrast to France, a significant correction of Italy's social security system has taken place with the agreement of the unions and thus without jeopardising the wage pact - a crucial factor to make sure that the rise in the consumer price index will not translate into permanently higher inflation. After a complete stall during the Berlusconi government, 1995 has also seen some action on privatisation: the much criticised flotation of ENI has yielded to shareholders a return of 7 per cent over two months. The Dini government also obtained parliamentary approval for the bill that allows it to set up the regulatory authority for electricity - so far the stumbling block for the privatisation of ENEL. A reduction of Italy's "debt mountain" will require a generation, but 1995 - as were 1992-93 - should be accounted for as a turning point in Italy's fiscal troubles. Francesco Giavazzi, Carlo Favero, Bocconi University, Milan, Italy

Sociological view of art

From Mrs M.A. Osborne. Sir, I have not yet been able to see the latest Tate exhibition, "Picturing Blackness". However, William Packer's article "A black mark for the Tate" (January 13) has certainly given me an incentive to make the effort to judge for myself whether this is indeed an ignorant exercise in pseudo social history. Mr Packer seems to imply that there is no validity in examining paintings from a sociological point of view. However, if it is valid to examine the works of writers such as Austen, Dickens and Shakespeare for sociological insights why should not paintings be subject to the same treatment? Very often those who make carping comments about political correctness fail to recognise the underlying reasons which have given rise to the phrase: that black people, like women and disabled people (to name but three groups) have long been treated in ways which insidiously reinforce their subservient status in society. M.A. Osborne, 4 Ashway, Gayton, Wiltshire SN6 3RD, UK

True picture of populations

From Mr Rupert Blum. Sir, As usual, Joe Rogaly's article is interesting but, like most writers on demography, he treats the number of children born as indicators of future population trends ("The White Tribe's sunset", January 13/14). This is unsound. What matters is the number of surviving female children. Accordingly, population growth in countries with a tradition of female infanticide (or equivalent abortion), like China, will be slower than in societies without such a tradition. Are there any statistics available which take account of this? Rupert Blum, Prior House, Stoke Prior, Herefordshire HR6 0NB, UK

Europa • Dominique Moïsi

The ghost of a relationship

The Franco-German alliance needs to recover its dynamism if the EU is to get back on track



The smiles of Jacques Chirac, French president (left), and Kohl conceal a strained Franco-German relationship

Simón Bolívar, the 18th-century leader who fought to free South America from Spanish rule, once likened the task of unifying that continent to "ploughing the sea". It would be an exaggeration to say that François Mitterrand, the former French president, felt the same way at the time of his death about the unification of Europe. But he was certainly disillusioned with the direction in which the European Union is moving. His disenchantment was more than justified: the EU is in crisis. Its central message - that economic and monetary union must be the next indispensable step in the unification process - is wrong. The messengers conveying it are weak. And Europe's principal engine, the Franco-German relationship, is showing signs of strain and exhaustion. Emu may be economically desirable and technically feasible. Politically, however, it is proving to be disastrous and it is highly unlikely that the concept can be sold to the European public. The problem is not the timetable - why should 2002 be any easier than 1999? It is not even the convergence criteria, although the insistence that countries must meet them to qualify for monetary union should be dropped. It is that the entire European project has come to hinge solely on the implementation of a technical reform - monetary union - which the broad mass of Europeans find, at best, irrelevant and, at worst, unacceptable. This is chiefly because they can see no social benefits that would result from it. Other important issues - unemployment, institutional reform, foreign and security policy - are as pressing as ever. So why should Europe focus to the exclusion of all else on a monetary union that will make the process of forging stronger bonds between

shift in the balance of power in Europe that has followed in its wake. France, afflicted with self-doubt, has become increasingly unsure of how to deal with this new Germany. The social crisis in France at the end of last year can only have reinforced this state of mind. Even François Mitterrand - the "great European" whose legacy in this area has been legitimately praised - contributed to the cooling of relations by failing to grasp Europe's changed priorities in a post-cold war world. In sum, the present divergence between the two nations was not, for the most part, a consequence of the fact that Germany was looking east while France was looking south. It is driven much more by the present tendency of both countries to look after their own interests first. This has left their European rhetoric sounding increasingly hollow and irrelevant. It is highly symbolic that the number of French students learning German has remained low, while the number of Germans learning French is on the decline. And yet it is still possible for Franco-German ventures to be successful, as shown by Arte, the high-quality Franco-German television channel. If the development of the EU is to be put back on track before it is too late, it is essential that the lost dynamism of the Franco-German relationship should be restored. Some think the UK has an important role to play, arguing that it could act as a catalyst to bring France and Germany closer together. It would be a mistake to rely mainly on Britain to effect such a rapprochement, however. A third party may have sufficient influence to strengthen an already thriving alliance still further. But it would be asking too much to expect it to inject new life into a faltering relationship. The author is deputy director of Paris-based Institut Français des Relations Internationales. He writes here in a personal capacity.

Advertisement for Philip Morris Institute Europe Prize. Text: "If you think Europe has a future, we'd like to hear about it". Includes details about the prize, jury members, and contact information.

FINANCIAL TIMES

Number One Southwark Bridge, London SE1 9HL
Tel: +44 171-873 3000 Telex: 922186 Fax: +44 171-407 5700
Friday January 19 1996

Papandreou's daunting legacy

The belated and undignified departure of Mr Andreas Papandreou from the Greek political stage, after clinging to power in spite of chronic ill health, should at last bring an opportunity to tackle long-overdue reforms...

tax evasion. And it introduced a system of political party appointees throughout the public service, from mainline ministry posts, to humble jobs in hospitals and post offices.

Flow of subsidies

Latterly he played his own grudging part in toning down that mood, by demonstrating in practice that neither rabid anti-Americanism, nor flirting with radical Arab regimes, provided any realistic basis for a foreign policy.

Soaring deficit

That administration was responsible for the enforced nationalisation of many Greek industrial companies, for maintaining inter-linked wage and pension rises in the face of a soaring public deficit...

Another nudge to UK rates

Yesterday's quarter-point cut in interest rates surprised most observers, but did not fundamentally change the short-run outlook for UK economic policy.

as companies seek to run down their excessive stock levels. The large adjustments to retail sales required during the Christmas period make it hard to draw strong conclusions from the latest, December data.

Mr George might have disagreed with Mr Clarke at Wednesday's monthly monetary meeting on the grounds that another cut in rates would be taking unnecessary risks with the inflation target.

Latent recovery

Some would also point to strong growth in real money demand as evidence of a latent recovery in domestic confidence that will soon filter through to final demand.

Self-evidently, the strongest arguments for yesterday's move relate less to conditions at home than to growing worries about the downturn in continental European growth.

Unworried investors

Yet the reaction in financial markets yesterday implies that investors were broadly unworried by such speculation. Sterling held its ground against other European currencies, while UK bond futures ended the day significantly higher.

On the domestic front, Wednesday's unexpectedly small drop in unemployment hints at a possible slowdown in employment growth.



At the centre of the City web

One powerful UK fund manager is poised to decide the outcome of Granada's hotly-contested takeover bid for Forte, says John Gapper

Two meetings this morning will probably decide the outcome of the most hotly-contested takeover bid in the City for several years. Sir Rocco Forte and Mr Gerry Robinson, chief executives of Forte and Granada, will separately come to court a woman whose company holds their fate in its hands.

Indeed, Ms Galley espouses such values with an almost moral fervour. She has been known to describe the wasting of equity capital as "a sin". MAM is relentless in trying to pick those companies whose managers will earn money for the trustees of pension funds.

She was appointed a vice-chairman last June, and was paid an estimated £400,000 last year. Yet Ms Galley still works at a desk with seven other fund managers, using her office only for private meetings.

Having proved her worth as a fund manager, Ms Galley's role now is to oversee the UK institutional department, and ensure its old virtues are preserved. That is harder as the value of "active" fund managers who place large bets on a few companies, rather than buying small shares in many, is questioned.

Some fund managers argue that this apparent impartiality creates a damaging uncertainty among companies, which does nothing to create shareholder wealth. They say managers should be able to concentrate on running a company without constantly having to fear that shareholders will sell out.

OBSERVER

Towering ambition

Last autumn, Chancellor Helmut Kohl lambasted young Germans for studying too long and living off the fortunes of their more enterprising parents. But he did rather lack a role model.

Past masters

At last Credit Lyonnais, the state-owned bank which managed to drag a FF135bn financial

restructuring through the French parliament last year, has found a way to capitalise on past misfortunes. Having clambered back to modest profitability following three years of heavy losses, it is now out on the road selling its expertise on state-backed rescues.

Hume run

John Hume, that most decorated of politicians, has won yet another honour. The SDLP MP for Foyle, in Northern Ireland, has been voted person of the year by the Irish News.

well back in the field with 126 votes a short neck ahead of Pope John Paul and local poet and Nobel prize winner Seamus Heaney.

Switched off

Talk is cheap, which perhaps explains why Phil Donahue, 60, pioneer of the US daytime TV talk show, is bowing out after nearly 30 years' prime time.

about because of his failure to follow sleazier competitors downmarket with shows about sexual escapades, violence and drug abuse.

French leave

Patrick Stevenson, 50, long the big wheel behind Paribas Capital Markets, has finally packed his bags. He was effectively moved aside last September, when he was suddenly accorded some suspiciously grand titles, notably chairman of Paribas Europe and senior adviser to Banque Paribas' executive committee.

Bottle law

A recent survey of US lawyers showed that 90 per cent of them were bottle-fed as children. Does this mean that only 10 per cent trusted their mothers?

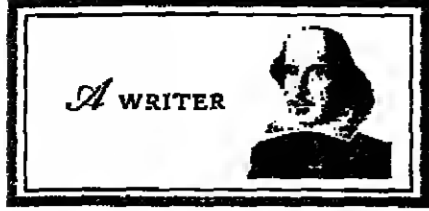
Financial Times

100 years ago

Kaiser William's message The Message of Kaiser William on the occasion of the twenty-fifth anniversary of the Empire produced a favourable effect upon the markets in consequence of the strikingly pacific tone that pervades it.

50 years ago

Buenos Aires explosion A bomb exploded at the entrance of the Buenos Aires Stock Exchange yesterday, shattering windows and causing alarm, but there were no casualties.



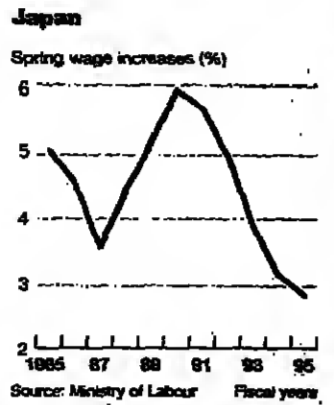
A WRITER



Japanese unions reject proposal for wage freeze

By William Dawkins in Tokyo

Japan's annual wage bargaining round got off to a heated start yesterday when union leaders rejected employers' proposals for a wage freeze.



Source: Ministry of Labour. The heads of at least two of Japan's largest companies do not support the proposed freeze.

port the Rengo's full demands. Employers last year gave the lowest basic wage rise on record, 2.9 per cent, after a heated argument along similar lines.

France launches plans to help tackle urban crisis

By Andrew Jack in Paris

The French government yesterday unveiled wide-ranging measures costing more than FF8bn (\$1bn) a year to ease the growing crisis in troubled urban regions.

Hongkong Bank suffers \$42m fraud at Indonesian branch

By Norma Cohen in London and Maruzela Saragosa in Jakarta

The Hongkong and Shanghai Banking Corporation has discovered a \$42m fraud at its main branch in Jakarta, it said yesterday.

Bank of Switzerland, Swiss Bank Corporation and Dresdner Bank.

Staff at one of the Indonesian banks were said to have become suspicious about what were described by police as "irregularities" over payments.

Simitis chosen as Greek prime minister

Continued from Page 1

when delegates in a special Pasok congress will vote for a new party chairman.

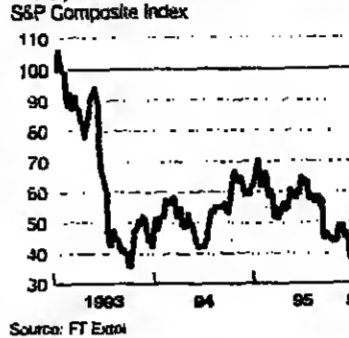
both his main rivals. Mr Tsochatzopoulos is likely to remain in charge of public administration and the Pasok party machines.

other members of his "gang of four" rebels who demanded Mr Papandreu's retirement last year.

Golden Sachs

As Goldman Sachs' 174 general partners gather today for their annual meeting outside Manhattan...

FT Eurotrack 200: 1633.9 (+15.4)



Apple Computer Share price relative to the S&P Composite Index. The graph shows Apple's performance relative to the S&P index from 1983 to 1996.

Apple Computer

Apple's latest bite at restructuring does not look big enough to restore the computer maker's fortunes.

AMP

Australian Mutual Provident is right to consider demutualisation. Australia's largest life company is a formidable force...

Strength and expertise in UK acquisition finance

Deutsche Morgan Grenfell advertisement listing services for Giaxo plc, Wellcome plc, United Utilities PLC, NORWEB plc, Cadbury Schweppes plc, Dr Pepper/Seven-Up Companies Inc., and PowerGen plc.

FT WEATHER GUIDE. Includes a weather map of Europe, a five-day forecast, today's temperatures for various cities, and the Lufthansa logo.





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South Africa Limited)  
(Registration number 62/00738/06)







AMP 'task force' to consider demutualisation

By Nikki Tait in Sydney

The Australian Mutual Provident, Australia's largest life insurance company, said yesterday it was setting up a formal 'task force' to review the group's corporate structure, and consider whether it should demutualise.

owned company - has become a trend internationally in recent years, and a number of Australian insurers have already taken this path.

as London Life, first proposed the demutualisation option a year ago. At that stage, Mr George Trumbull, the US insurance executive brought in to head the AMP two years ago, said that there was a 50-50 chance the institution could become a shareholder-owned company within five years.

driven culture could be advantageous for the group - though he has also said no decision would be taken lightly.

by Mr Trevor Thompson, former general manager of the corporate superannuation division, and is likely to call in a range of external advisers in drawing up its recommendations.

Anglo American puts 10,000 mining jobs on the line

By Mark Ashurst in Johannesburg

Anglo American Corporation warned yesterday that some 10,000 mining jobs were at risk unless there were significant improvements in costs and productivity.

division, warned that without these improvements, five shafts would be closed before the end of March at Freegold, the most troubled of Anglo's gold mines.

uranium mines. Profits in the three months to December 31 rose to R144.8m (\$39.7m) from R154.1m in the preceding quarter.

shafts, more blasts, more gold - which will extend their lives," said Mr Godsell.

hedging covers more than 80 per cent of this year's total gold production of about 220 tons.

● JCI Group gold mines yesterday reported a 3 per cent fall in after-tax profits to R79.8m, compared with R82.5m in the previous quarter.

Gold Fields losing its glister in the new South Africa

Despite owning two of the richest mines in the world, the group faces problems, writes Philip Gawith

Gold Fields of South Africa, once the jewel of the South African mining industry, is increasingly looking like a prize taken over candidate, ripe for restructuring.



Digging deep: GFSa must make greater efforts to find new ore resources

Picture: Gary Gandy

this on the country's political upheaval, although some believe GFSa's hardline anti-union policy has made it the victim of industrial sabotage.

He also believes Rembrandt, Liberty and GFSa are partners, and would obviously like the status quo to continue. But he concedes a bid is a possibility.

Nevertheless, the barriers to rationalisation are immense. South Africa's ownership structures tend to be complicated, but even in the country's incestuous corporate world, Gold Fields represents the ultimate Gordian knot.

Anglo's dominant status in the local gold industry. Soon after Minorco's failed bid, ConsGold fell into the hands of Lord Hanson, who promptly sold GFSa.

Only Rembrandt is in a position to do anything about the situation. Asteroid lacks the incentives to effect reform, while Liberty and Anglo lack the power.

the point where critics claimed the company had become a personal fiefdom. A new face could help break the logjam.

Mr Wright concedes that "Gold Fields basically has not grown for years now". He attributes this in part to the flat gold price, and an inability to believe that it would not turn the corner.

Mr Wright says Gold Fields has looked at doing a deal with Gencor (Rembrandt has a 13.7 per cent stake, and analysts have often floated the prospect of it rationalising its mining investments in GFSa and Gencor) but he believes the corporate cultures are different.

Advertisement for passenger transport board, ADVANCE NOTICE OF REQUEST FOR TENDERS FOR ADELAIDE METROPOLITAN PASSENGER TRANSPORT SERVICES.

Advertisement for JCI Limited, Western Areas Gold Mining Company Limited, FUNDING PROGRAMME FOR THE SOUTH DEEP PROJECT.

Advertisement for ALPHATEC ELECTRONICS PLC, THAILAND, US\$ 40,000,000 TERM LOAN FACILITY.

Advertisement for Crédit Lyonnais, Subordinated Floating Rate Notes Due 2000.

COMPANY NEWS: UK

Founder set to realise £40m from UniChem's £544m takeover offer

Lloyds Chemists agreed bid

By Peggy Hollinger

The chairman of Lloyds Chemists, Mr Allen Lloyd, is set to realise £40m from UniChem's £544m takeover offer...



Jeff Harris, left, and Geoff Cooper, finance director, creating a group with a turnover of £2.5bn

Mr Lloyd stands to make £38m from the purchase of his 7.5 per cent stake. As outgoing chairman, he is also eligible for a further pay-off of about £2m to cover his two-year contract and associated benefits...

Heron looking to make large acquisitions

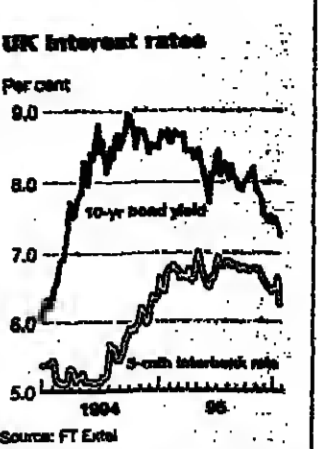
By Simon London Property Correspondent

Heron, the private property and trading group rescued by a group of US investors in 1994, is back on the acquisition trail and looking for deals valued at hundreds of millions of pounds...

The company is also planning to make significant property acquisitions in continental Europe, possibly through joint ventures with financial institutions...

LEX COMMENT Interest rates

On its own, yesterday's quarter-point cut in UK interest rates hardly constitutes reckless abandon. But the Bank of England's deafening silence speaks volumes...



RESULTS

Table with columns for Company, Turnover (£m), Pre-tax profit (£m), EPS (p), Dividends (pence), and Total for year. Lists companies like Albion, Borealis, and various investment trusts.

US sales decline for Laura Ashley

By Neil Buscidea

Laura Ashley, the clothing and furnishings group, yesterday became the second UK retailer in two days to report a heavy sales fall in the US - although UK and continental European growth was encouraging...

But she admitted mistakes had been made. "North America was driven by a very poor performance in garments," she said. "They were selected incorrectly, the product was not well planned..."

Granada hopes to find single buyer for Exclusive and Meridien hotels

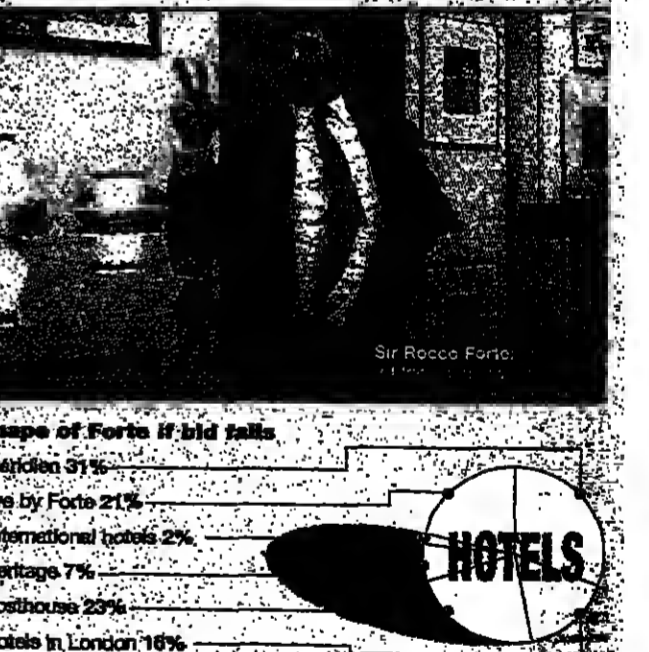
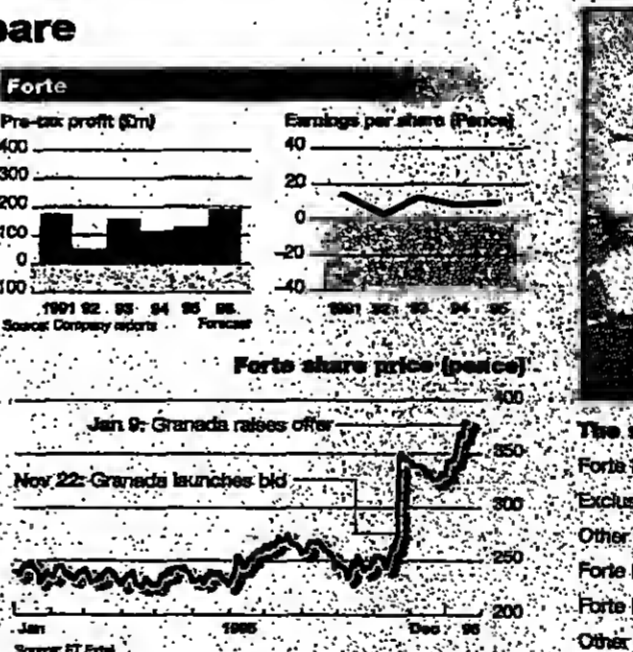
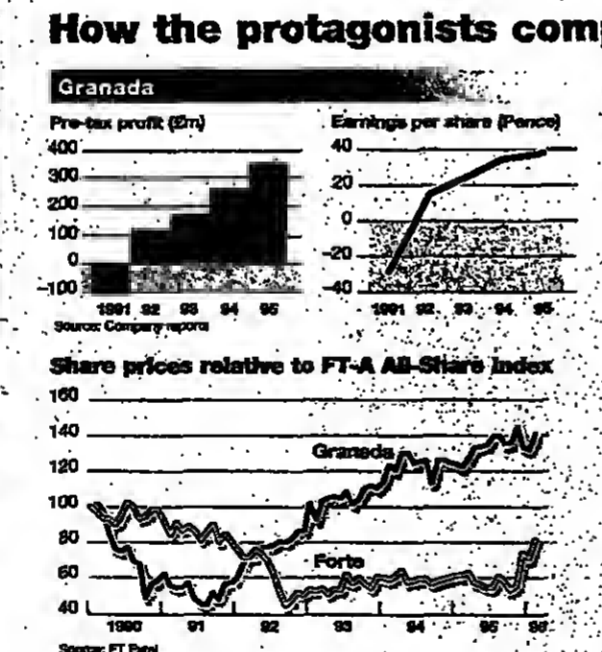
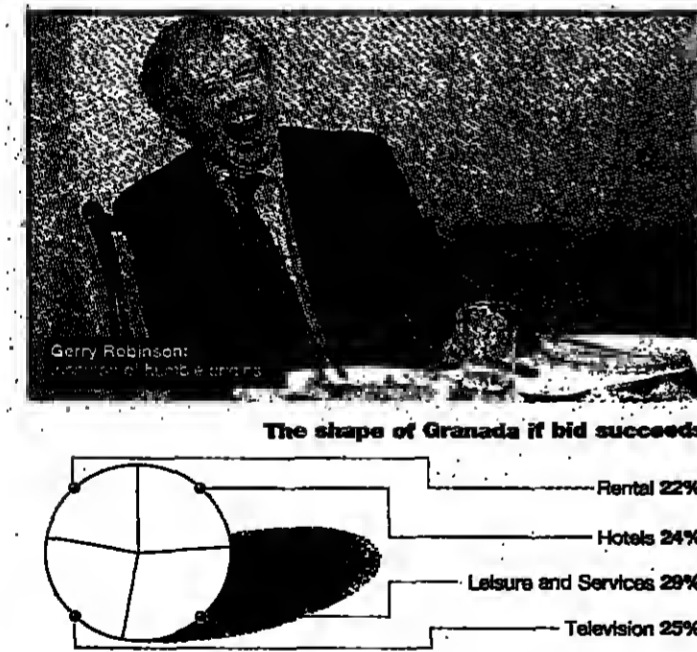
By David Blackwell and Scheherazade Daneshkhu

Granada, which is waging a hostile £3.9bn bid for Forte, hopes to sell most of Forte's 103 up-market Exclusive and Meridien hotels to a single buyer...

Management - in a last ditch attempt to win support. Many observers believe MAM will back Granada. Shares in Granada rose above 700p yesterday...

lose the battle and are preparing to accept Granada's claim that it would not pay any tax on the gain arising from its proposed sale of Forte assets...

tioned Granada's claim that it would not pay any tax on the gain arising from its proposed sale of Forte assets. Forte estimates the tax bill at £40m.



Gerry v Rocco: the final countdown

As decision day approaches three factors are thought likely to be uppermost in the minds of investors

It is decision time for shareholders in Forte. The most colourful and hard-fought takeover battle in Britain this decade reaches a climax next Tuesday...

ends; and some strong criticism of Mr Robinson's management style and strategy. However, Granada regained the upper hand with an increased offer and a smooth presentation of its plans to investors and City analysts...

high-spending Americans and coincided with UK recession. Forte has been a survivor in a turbulent sector which companies such as Rank and Grand Metropolitan have quit...

it a case of "too little, too late." How would shares in Granada perform after takeover victory? The case for taking over Forte rests essentially on Mr Gerry Robinson's strong track record in turning round Granada...

net assets of about £1.6bn against consolidated debt of £3.84bn, producing gearing of 245 per cent. Mark Finnie, of NatWest Securities, calculates that by next September net assets could rise to £1.8bn...

David Blackwell, Scheherazade Daneshkhu and Martin Dickson

# Bargaining with French insolvency law

Eurotunnel may appoint a mediator to negotiate with its creditors, write Robert Rice and Andrew Jack

Eurotunnel, the Anglo-French operator of the Channel tunnel, confirmed yesterday it was thinking of seeking the appointment of a mediator to act as go-between with its creditors. At the same time, UK banks and their lawyers were trying to come to grips with the unique features of French insolvency law.



Building the Channel tunnel - the French entrance is shown above - may yet prove less complex than the financing problems

The pre-insolvency stages of French bankruptcy law involve the possibility of appointing two mediators to negotiate with creditors.

The first step is the appointment of a *mandataire ad hoc* to help in negotiations. His role is not formally defined under the 1984 French bankruptcy law and his powers to help are limited.

If the *mandataire ad hoc* fails, however, a company's directors, creditors or shareholders can then ask the president of the commercial court to appoint a conciliator to try and negotiate a solution to a financial crisis.

The grounds for starting *redressement* are *cessation des paiements*, defined by the 1985 law as the inability of the business to meet its current debts with its liquid assets.

The *redressement* proceedings can be triggered by the company, a creditor, the court, the public prosecutor or the employees. An administrator is appointed together with a creditors' representative, who in practice becomes the liquidator if a reorganisation proves impossible, and the employees are asked to appoint their own representative.

contractually bound by its terms. In practice however, such agreements prove difficult to implement.

The procedure starts with a six month observation period which can be extended to a maximum 18 months. During this time the business continues to be managed by its debtor.

Before the end of the observation period the administrator submits a report to the court which then decides if rehabilitation is feasible. Official French statistics show that more than 90 per cent of cases go into final liquidation.

The position in the case of Eurotunnel is further complicated by the structure of the Anglo-French partnership. The two operating subsidiaries of Eurotunnel SA and Eurotunnel plc were granted a concession to operate the tunnel by the British and French governments.

that the standstill agreement allows for the banks to reassess the situation after six months. That deadline is looming and Eurotunnel's hint about invoking pre-insolvency procedures in France could be interpreted as a warning to the banks not to try to back away from the standstill agreement.

Others suggested, however, that tough penalties under French law to penalise directors - whether paid or unpaid, executive or non-executive - who are judged responsible for bad management might eventually push Eurotunnel to contemplate *redressement*.

Shares in Guinness closed down 14 1/4 at 47 1/2 yesterday after the drinks group said it would take a further £39m restructuring charge for 1995 and that profits in Japan had continued to slip.

Analysts downgraded pre-tax profit forecasts by 5 per cent to about £80m after charges. These will now total £84m for the year, up from £25m announced with the interim.

There was disappointment that Guinness had had to embark on another round of cost-cutting at Cruickshank, its Spanish brewing subsidiary.

# Guinness hit by more charges

By Roderick Oram, Consumer Industries Editor

Analysts had only expected minimal profits before the charge from Cruickshank, the leading Spanish lager brand, because of depressed beer demand.

With the exception of Japan, trading in spirits, accounting for roughly 75 per cent of Guinness's profits, was in line with comments of the interim on September 15. Earnings, however, and profits were down from a year earlier apart from in Spain and the UK.

There was disappointment that Guinness had had to embark on another round of cost-cutting at Cruickshank, its Spanish brewing subsidiary.

# 'Posturings' heighten tense atmosphere of talks

By Geoff Dyer and William Lewis

Since the project to build the Channel tunnel got under way 10 years ago negotiations between Eurotunnel and its financial backers have always been strictly for those with strong nerves. But the background manoeuvres have become so frenzied during the past month that even the most level-headed and experienced negotiator must be feeling the pressure.

It emerged yesterday that Eurotunnel's banks could withdraw from the current standstill agreement in March if 65 per cent of them (voting by value of loans) decided to do so.

suspend interest payments on £8bn of debt for up to 18 months, while it attempted to restructure its finances.

It was widely known that the four agent banks had to report to the rest of the 22-strong syndicate by March 14 to extend the standstill period for another year.

However, the possibility that a new financial crisis could develop over the next two months explains why the atmosphere surrounding the negotiations has become increasingly tense.

Bankers insisted that the March deadline was behind the revelation that Eurotunnel was considering asking a French court to appoint a mediator - a *mandataire ad hoc* - to handle its negotiations with the banks.

"It sounds like the English co-chairman [Sir Alastair Morton] is playing his usual games," said one banker. "They are trying to increase the pressure on us," said another.

Another said: "Trying to decipher what Eurotunnel is up to is like trying to work out what goes on in the Vatican."

The company's advisers suggested that the French court move represented "a flexing of its muscles" ahead of the looming deadline. "The company is showing its banks that it can take steps in France which may not be to the banks' liking," one adviser said. Under French insolvency rules creditor banks carry a lower level of priority than under UK company law.

A consultant to the company said: "This is game theory with high stakes. Let's hope neither side takes these posturings too seriously and punts."

Eurotunnel stressed that it was keen to conclude the negotiations. "We would like to bring things to an end promptly, but the banks are not going as quickly as we would like them to," the message it had been receiving from its banks was to "slow down".

Eurotunnel said that, if appointed, the *mandataire*'s job would be to "open up discussion with a view to finding common ground and a settlement". Any appointment would probably not take place until February.

Several bankers denied that they had been informed about a KPMG report warning that it was in danger of becoming technically insolvent.

KPMG and Price Waterhouse are the company's joint auditors in France. "The report is news to me," said one banker at a Japanese institution.

A UK banker said: "We have heard very little from the company or the agent banks since the standstill began. We had certainly not heard of the accountants' report."

**Knights Frank**

**Expressions of Interest**

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**The Financial Times plans to publish a Survey on European Stockmarkets**

**on Thursday, February 15.**

On 2nd January, new EU legislation governing the remote trading of stocks between European countries was introduced.

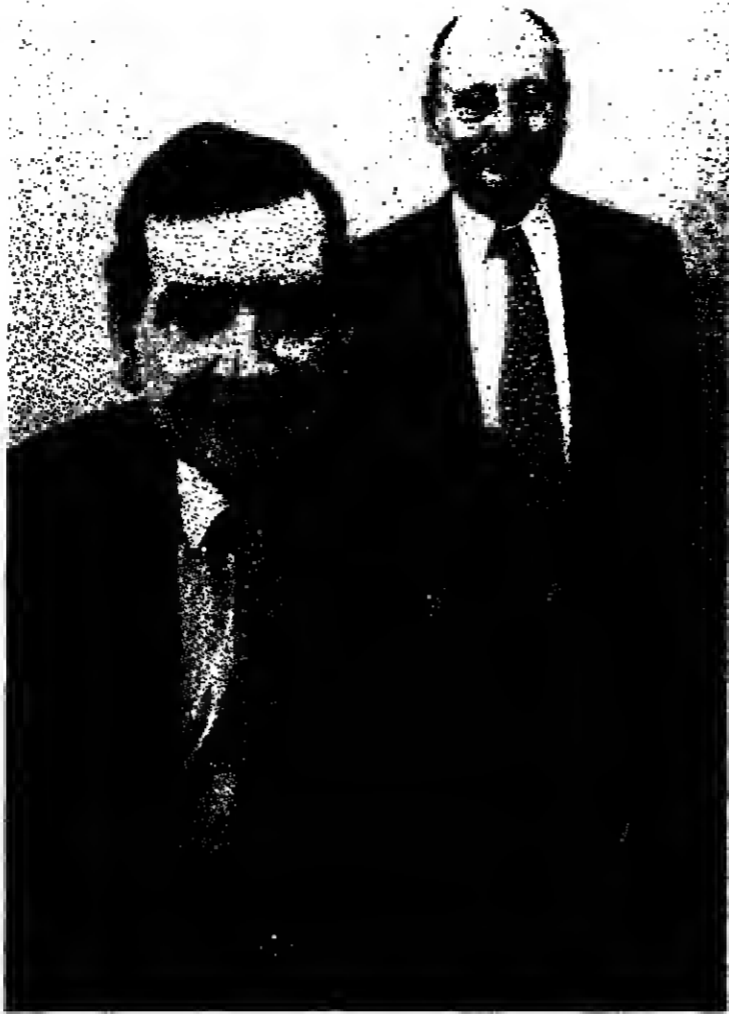
Alan Cunningham  
Tel: (0171) 873 3206 Fax: (0171) 873 4296

MANAGEMENT

The two top jobs at BOC are changing hands today. Tim Dickson looks at the new team

Breath of fresh air

Few big international companies acquire a new chairman and a new chief executive on the same day. But then BOC, the industrial gases group where David John and Danny Rosenkranz formally assume these roles at this morning's annual meeting, is not noted for tidy succession planning.



David John (left) and Danny Rosenkranz sit on a new combination

Given the relatively brief tenure of stop-gap chief executive Alexander "Pat" Dyer, who also retires today, and the company's rapid turnover in finance directors, BOC shareholders will be carefully scrutinising the actions of the new top team.

It has been near the gases business, but not in it, I have something to offer. I have watched it for 22 years and while relationships are very good I can question the folklore, if necessary.

A chief executive also needs to understand enough to be a good portfolio manager. And he needs to create a culture "in which professionalism and ability come to the top" and management systems "that allow people to breathe".

Rosenkranz is suspicious of business fashion - "I'm not a great guru person" - believing that empowerment, for example, is something successful managers have been doing for years.

Such realism, however, does not mask his essential optimism. "Talking primarily about the gases business and looking back over the last year as well as ahead there is more opportunity out there than I can remember."

The growing trend towards the east

West European companies are developing a new source for purchasing components, says Kevin Done

West European companies are increasingly looking to central and east Europe for new sources of supply for raw materials and components, as they seek to cut costs and improve their competitiveness against rivals from Asia and North America.

In eastern Europe that are expected to gain most, however, with their share of west European companies' purchases rising to 5.1 per cent by 1996 from 0.8 per cent in 1988 and 1.6 per cent in 1993.

West European industrial equipment, automotive, chemicals and electrical and electronics companies are the most active buyers from eastern Europe, according to the Booz-Allen study. "Their main motivation appears to be access to cheap labour, allowing manufactured goods to be produced at competitive costs," says the report.

The average savings in purchasing costs (including transportation) obtained by companies in these sectors range between 15 and 30 per cent

engage east European suppliers when they are purchasing products with a high labour content, such as semi-finished products, electrical and electronic components and equipment, and mechanical equipment.

Hungary, Poland and the Czech Republic are the countries most favoured by west European companies, in particular those from Germany and France, although the choice of supplying country does vary according to the country of the buyer.

Hungary is the primary supplier of electrical and electronic components and equipment, says the report, whereas the Czech Republic and Poland have exploited their capability in mechanical equipment and finished products. The countries of former Yugoslavia have focused previously more on raw materials and packaging, although their role as suppliers has clearly been drastically diminished by the recent wars in Bosnia and Croatia and the sanctions against Serbia.

The difficulty experienced by west European companies rises as they move further east with greater distances involved and a greater degree of political instability

compared with the price paid to traditional suppliers. More than one company in seven has managed to cut its costs by more than 30 per cent.

The only exception is the chemicals sector, which has developed a supply base in east Europe but has achieved cost savings of less than 10 per cent. Here the purchases have chiefly been made by German chemical companies of primary raw materials. They have been looking for cheaper commodities and also seeking to penetrate east European markets with their products.

German companies were often the first westerners to penetrate east European markets and to develop effective relationships with the most competitive suppliers. Companies are more likely to

The degree of difficulty experienced by west European companies rises substantially as they move further east with greater distances involved and a greater degree of political instability, says the report.

"Countries in the Balkans and in the Commonwealth of Independent States are perceived more negatively by western buyers."

While the level of purchases made in east Europe is set to rise sharply many problems remain. Quality is the main issue and is cited in 70 per cent of the cases, where supply relations have failed.

Despite the problems, Booz-Allen forecasts a boom in purchases from east Europe, particularly from those countries that are geographically close to west Europe and have done most to develop market economies and democratic political regimes.

\*Pan-European Survey of Purchasing Practices from Eastern Europe and the CIS Countries. Booz-Allen & Hamilton, 100 Piccadilly, London, W1V 9BA. Tel: 44-171-499-5935. Fax: 44-171-933-0224.

BUSINESSES FOR SALE

J.R. & A. SMITH LIMITED T/A BRITISH VELVET (In Administrative Receivership)

The Joint Administrative Receivers offer for sale as a going concern the business and assets of J.R. & A. Smith Limited. The principal features of the business are:-

RPG Corporate Recovery

PCF worldwide SPECIALIST ENGINEERING BUSINESS

The Joint Administrative Receivers, William Duncan and Ian Schofield, offer for sale the business and assets of Meadowbank Engineering Limited.

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FOR SALE U.S.A. HOUSTON DALLAS FT.WORTH

BUSINESSES FOR SALE Appear in the Financial Times on Tuesdays, Fridays and Saturdays.

Established Software Development, Support and Sales Group

BUSINESSES WANTED

Manufacturer Wanted Seeking mfr. to market & build under US patent license

LEGAL NOTICES

SECTION 8 WATER INDUSTRY ACT 1991

PUNCH BOWL ENTERTAINMENTS LIMITED trading as AQUARIUS

BURGESS WELDING AND ENGINEERING LTD BURGESS TRANSPORT REPAIRS LTD BURGESS LIFTING LTD (All in Administrative Receivership)

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HEATING SERVICES Berks/Oxon Long-established maintenance and installation business with wide customer base.

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CONTRACTS & TENDERS

REPUBLIC OF LEBANON MINISTRY OF POST AND TELECOMMUNICATIONS GENERAL DIRECTORATE OF POST COUNCIL FOR DEVELOPMENT AND RECONSTRUCTION

COMMODITIES AND AGRICULTURE

De Beers says \$1bn loan to Russia has been repaid

By Kenneth Gooding, Mining Correspondent
Russia has completed repayment of the US\$1bn it was loaned by De Beers five years ago...

for 95 per cent of Russia's rough diamond sales. When the deal with the Soviet Union was completed in July 1990, De Beers also advanced a \$1bn loan and part of the Soviet diamond stockpile was shipped to the CSO in London as collateral.

to increase the percentage of its own diamonds it could sell on its own account. The chances of the world's two biggest diamond producers falling out and possibly starting a price war has made the market very nervous. Analysts suggest the two will patch together some agreement but not necessarily another five-year contract.

Food security to rise on political agenda

Grain stocks are the lowest for 20 years and prices are at long-time highs, writes Geoff Tansey

With world grain stocks at their lowest level for 20 years, and cereal prices rising, food security is set to move up the political agenda. Agriculture has borne the brunt of aid cuts over the past decade warned Dr Jacques Diouf, director general of the UN Food and Agriculture Organisation speaking in London earlier this week.

of which spent a quarter or more of their total export earnings on food in 1988-90. The FAO has launched a special programme on food production in support of food security in these countries. This aims to promote a rapid increase in food production and focuses on

however, argued the authors of "Without Warning...". The world produces more than enough grain to meet human needs, Mr Clive Robinson, Head of Christian Aid's Europe and Global team and co-author of the report pointed out. "The problem is that pro-

duction - missed out gender. Gender roles affected who got what food, with women often served last when food was distributed. Mr Robinson also said that the Uruguay Round of the General Agreement in Tariffs and Trade "failed to grasp the food security interests of developing countries".

Diouf pointed out that he had convened meetings between NGOs and FAO in connection with the biennial sessions of the technical committees on fisheries and forestry. He also invited NGOs to contribute to the preparation for the World Food Summit, both through the national committees and through the regional preparatory meetings. At the summit, "in addition to the NGOs which will be part of national delegations, FAO will invite a group of relevant and competent NGOs to participate in the summit as observers", said Dr Diouf.

Low-income food-deficit countries (LIFDCs) would not be able to go to the world market, and buy sufficient food if prices rose, warned Dr Diouf. The price of rice had risen by 45 per cent in a year, and China imported 2m tonnes of rice from Vietnam, he said. Developing countries as a whole imported about \$23bn worth of cereals in 1994 according to the report.

Production was not enough. Millions of people are too poor to gain access to the food that is available... Only half of world annual production of cereals is eaten by human beings, the rest is used for seed, animal feed or wasted." He argued that the definition of food security formulated by FAO in preparation for the World Food Summit in November 1996 - that food is available at all times, that all people have means of access to it, that it is nutritionally adequate in terms of quantity, quality and variety, and that it is acceptable within the given

Canadian company ready to help Zambian copper revival
By Kenneth Gooding
Zambia's willingness to accept foreign help to revive its ailing copper industry was demonstrated again yesterday when a minister said a little-known Canadian company was ready to spend between US\$500m and \$1bn to develop the Konkola North project.

Mr Walubita said that Zambia Consolidated Copper Mines (ZCCM) the state-controlled company that owns Konkola North, would not have to make any financial contribution to the project until production of copper and cobalt had begun. Talks are going on in London this week between Zambian government officials and Anglo American about Konkola Deep which is adjacent to Konkola North. One analyst suggested Anglo and its potential partners - including Gencor, another South African mining group and the Industrial Finance Corporation, a World Bank offshoot - might not be keen on another company

developing an area that is likely to prove to be part of the same ore body as Konkola Deep. Anglo has a vested interest in ensuring ZCCM survives because its Zambia Copper Investments subsidiary owns 27.3 per cent of the copper producer. Since ZCCM was nationalised its copper output has dropped from a peak of 700,000 tonnes in 1989 to only about 300,000 tonnes last year and production from Konkola Deep is urgently needed because the company's other mines are nearing exhaustion. Inco plans to expand capacity at Soroketa, Indonesia, by 50 per cent to about 150m lb by 1996 at a cost of US\$500m.

MARKET REPORT LME nickel prices surge by 5 per cent

NICKEL prices surged by more than 5 per cent on the London Metal Exchange yesterday as active speculative buying throughout the morning session. Most other base metals moved slightly higher in mainly routine business, traders said. Three month nickel futures finished the after-hours "kerf" trading session at \$3,900 a tonne, up \$420 from Wednesday's kerf close. Technical resistance at just below \$4,000 was cleared when one ring dealing member drove prices higher. Stop-loss buying orders were triggered. Traders said this rise did not reflect physical market conditions. European stainless steel producers had been conspicuous by their absence from the spot nickel market during the past four to six weeks, industry officials said. Steel stocks at mills were still too high, and production cutbacks, which many

expected to be over by now, could last another two to three months, they added. "One or two months ago we anticipated the upturn would have taken place by now, but now it looks like happening in another two months," said one producer. At the London Bullion Market GOLD price support levels were tested as the new year rally continued to consolidate. The price closed at \$377.75 a troy ounce, down 50 cents. Brent crude OIL prices rose in response to news of a drawdown in US heating oil stocks. The March position on the European physical market was \$17.20 1/2 in early evening trading, up 24 cents. Some dealers said healthy demand for sweeter barrels from European refiners was also helping to support North Sea prices "There's definitely a sort of underlying strength there," said one. Compiled from Reuters

Rain dampens Guatemalan coffee hopes

Guatemalan coffee officials have cut their estimate of exports from the 1995-96 harvest to 7m bags (100kg each) from 9.2m following a re-assessment of recent rain and frost damage, reports Reuters from Guatemala City. Mr Julio Arrivillaga, vice-president of the National Coffee Association (Anacafe), said continual rains and, to a lesser extent, a cold snap last week, had caused beans to drop from trees and encouraged the spread of fungi and leaf rust disease. The main areas hit were the higher regions where Guatemala's quality had been and strictly hard bean were grown, he said. "This is a conservative estimate," he added. "I think plantations may be further affected, but it is difficult to measure damage now that the harvest is under way." He said Anacafe specialists had noticed a surge in leaf rust, a virus which causes leaves and later beans, to drop off trees.

Canadian company ready to help Zambian copper revival

By Kenneth Gooding
Zambia's willingness to accept foreign help to revive its ailing copper industry was demonstrated again yesterday when a minister said a little-known Canadian company was ready to spend between US\$500m and \$1bn to develop the Konkola North project.

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developing an area that is likely to prove to be part of the same ore body as Konkola Deep. Anglo has a vested interest in ensuring ZCCM survives because its Zambia Copper Investments subsidiary owns 27.3 per cent of the copper producer. Since ZCCM was nationalised its copper output has dropped from a peak of 700,000 tonnes in 1989 to only about 300,000 tonnes last year and production from Konkola Deep is urgently needed because the company's other mines are nearing exhaustion. Inco plans to expand capacity at Soroketa, Indonesia, by 50 per cent to about 150m lb by 1996 at a cost of US\$500m.

COMMODITIES PRICES

BASE METALS

LONDON METAL EXCHANGE

Table with columns for metal type (Aluminum, Zinc, Nickel), price change, high, low, and volume.

Precious Metals continued

Table with columns for metal type (Gold, Silver, Platinum), price change, high, low, and volume.

GRAINS AND OIL SEEDS

Table with columns for grain type (Wheat, Maize, Soybeans), price change, high, low, and volume.

SOFTS

Table with columns for soft commodity type (Cocoa, Coffee, Sugar), price change, high, low, and volume.

MEAT AND LIVESTOCK

Table with columns for meat type (Cattle, Hogs, Sheep), price change, high, low, and volume.

LONDON TRADED OPTIONS

Table with columns for option type (Aluminum, Copper, Gold), price change, high, low, and volume.

ENERGY

Table with columns for energy type (Crude Oil, Heating Oil, Natural Gas), price change, high, low, and volume.

FUTURES DATA

Table with columns for future type (Wheat, Soybeans, Corn), price change, high, low, and volume.

PRECIOUS METALS

Table with columns for metal type (Gold, Silver, Platinum), price change, high, low, and volume.

INDICES

Table with columns for index type (FTSE 100, Nikkei, DAX), price change, high, low, and volume.

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CROSSWORD
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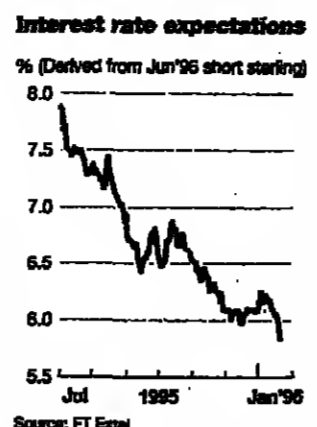
Crossword puzzle grid with numbers 1-25.

ACROSS
1 Bearing blossom in March or April (5)
7 Moved quickly in field exercise (5)
11 Makes slow progress on a street car (7)
14 An epic tower of the Greek Islands (7)
17 Blooming good example of self-interest (9)
18 Exchange of repairs that will bear fruit (4)
19 Jaguar strike not official (7)
21 Ugly editor to support journalists (7)
22 To catch men she dressed up (6)
24 Little girl all over the house (5)
26 The mark of the restorer (4)
Solution 8,970
STREET WORDS
D E A P L O G I C
O A P P O P E R A R O B O T
P R E S C O O C O
E A R L E A S T E R N O R E
S A E I T W
REAR WORDS
I S E N E T A
R E I N D O U B T S R O U E
S E A R T H I N G
A L L O W E D P E R M I T T E D
F E E R E N D I A
D I C T I O N A R I A N

INTERNATIONAL CAPITAL MARKETS

Europe closes firmer after interest rate cuts

By Martin Brice in London and Lisa Branstetter in New York
European government bond markets expected one interest rate cut yesterday but were surprised to get two - each of 25 basis points, from France and the UK, while the Bundesbank council left rates unchanged. Markets closed firmer, but Italian government bonds were the star performers, with the yield spread over Bunds falling by 15 basis points on hopes of political stability.



Interest rate expectations
% (Derived from Jun'96 short starting)
Source: FT Econ

UK government bonds ended firmer after the surprise base rate cut, to 6.25 per cent. It was the second such reduction in two months, and the resulting market strength was attributed more to international events. The rate cut, which prompted talk of political motives, drew attention away from retail sales and price data that suggested an upward trend in consumer spending and worse than expected inflation figures. Mr Nigel Richardson, head of bond research at Yamaichi, said: "Nobody expected it, and the market has risen on the back of the international scene, taking strength from bonds and Treasuries. The market does have some Machiavellian doubts; they think it was too soon after the last cut." He said the base rate may be cut by another 25 basis points by the end of March. On Life, the March long gilt future closed at 112 1/2, up 1/2. The 10-year yield spread over Germany moved from 160 basis points to 157. Short sterling closed at 93.96, up 0.19, discounting rates of 6.04 per cent in March. The yield on the 7.25 per cent gilt due 1996 fell 1 point to 6.08 per cent, on the 8 1/2 per cent due 2005, by 3

points to 7.36 per cent, and on the 8 per cent due 2015, 5 points to 7.62 per cent. Mr Andrew Milligan, international economist at New Japan Securities said: "This is a government desperate to regain popularity. I presume that the governor [of the Bank of England, Mr Eddie George] only grudgingly agreed. Last time he was announcing it in front of the cameras, but this time he is just saying 'wait for the minutes of the meeting.'" However, Mr Simon Briscoe, economist at Nikko, said: "There will be some who call this a political move but that view should have little support from anyone who has looked at

expect a rate cut before the end of March. The yield on benchmark one-year paper fell 1 basis point, while that on four-year paper fell 7 basis points. On 10-year paper the yield fell 5 basis points to 5.80 per cent. Mr Christoph Ansham, bond analyst at UBS in Frankfurt, said some market participants thought the yield on 10-year paper could fall to 5.50 per cent, and investors were moving out along the curve. "More and more cash is being positioned at the long end. "But it would be more interesting now to start thinking about when interest rates will start to go up," he said.

On Life, the March 10-year bond future closed at 101.30, up 0.40. The yield spread of 10-year bonds over Treasuries moved out from 15 basis points to 20.

Italian government bonds outperformed bonds, with the yield spread on 10-year paper falling 15 basis points to 4.53. There were reports of investors selling bonds and buying BTPTs on news that Mr Lamberto Dini was likely to be given a mandate to head a new government to oversee constitutional and electoral reform.

Mr Ken Watret said Italy had lagged behind other high-yielders in the rally, and yesterday it had caught up. He said since inflation was falling, and the budget deficit for last year was on track, the spread over Germany could fall to below 400 if there were no political risk in the price. "But this is an early stage in the political negotiations," he said.

The yield spread over Germany on Spanish 10-year bonds moved from 351 basis points to 349. Ms Phyllis Reed, European bond strategist at BZW, said: "To push further we need a clear view of politics and inflation." She said there was unlikely to be much movement

Merrill Indonesia prepares first deal

By Manuela Saragosa in Jakarta

PT Merrill Lynch Indonesia, a subsidiary of the US-based merchant bank, last week awarded a licence to operate in Indonesia, will kick off its business in Jakarta with a Rp167bn rights issue for Bank Bira, one of Indonesia's top 20 private sector banks.

The issue will coincide with a convertible bond offering from Indocement, which accounts for about 11 per cent of the MSCI Indonesia index. Morgan Stanley is arranging the offering, which is expected to raise about \$150m. The deal should emerge by next week.

Bank Bira said the Indonesian arm of Merrill Lynch would underwrite part of the bank's planned offer of seven new shares for every five held, on 145.5bn new shares, at a subscription price of Rp1,150 each. The shares will go on rights on March 13.

Mr Parveen Gandhi, vice-president at Bank Bira, said the rights issue was aimed at increasing the bank's equity, for expansion of its loans portfolio. According to regulations issued by the central bank last year, Indonesian banks may extend loans worth up to 20 per cent of their capital.

"We are competing with the big foreign banks, and want to increase our loan capabilities to US\$50-\$100m this year," Mr Gandhi said. A larger market capitalisation would also allow the bank to increase its credit lines from foreign banks.

The bank's principal shareholder, Mr Abang Latief, will reduce his stake in the bank's enlarged share capital to 55 per cent from 66.8 per cent as a result of the rights issue.

Issuers make most of solid demand for FRNs

By Corner Middelmann

A slew of floating-rate note issues in US dollars and sterling and more D-Mark paper kept dealers busy yesterday. With issuers capitalising on strong demand for floating-rate notes from cash-rich financial institutions, and the resulting tight spreads, pricing on several of yesterday's issues was deemed on the tight side.

First off the block was Dean Witter with \$300m of five-year FRNs with a coupon of three-month Libor plus 25 basis points. At the re-offer price, the yield was 31 basis points over Libor and, according to lead manager Merrill Lynch, the spread was unchanged near the close.

Norway's Christiania Bank issued \$150m of three-year FRNs via Citibank, with a coupon of 5 basis points over three-month Libor and at an all-in cost of 10 basis points over. While some felt the pricing was fair, others said the paper might not capture the increasing number of yield-hungry buyers looking for spreads between 10 and 20 basis points over Libor.

Union Bank of Switzerland executed a \$160m bloc trade of seven-year FRNs for Nations-Bank with a coupon of 20 basis points over Libor.

And the Britannia Building Society issued £150m of five-year floaters, callable after 4 years, sold at 8 basis points over Libor. Some dealers felt the pricing was tight, especially compared with this week's Bradford & Bingley offering. But lead manager NatWest Markets said the deal saw good demand, with £100m of Britannia bonds maturing on the payment date of the new issue, and little other

building society paper available. The Kingdom of Sweden issued \$250m of five-year callable bonds priced to yield 45 basis points over Treasuries. While lead manager Goldman Sachs reported sales to retail investors in Switzerland and the Benelux, attracted by the bearish status of the bonds, others felt the issue was too tightly priced and expressed doubts over retail placement. "In my experience, retail don't buy callable bonds," said a trader.

The D-Mark sector saw another internationally targeted jumbo UMT. Sbn Pfandbrief issue for Bayerische Vereinsbank, the first such issue with a US house - Merrill Lynch as joint bookrunner. After Wednesday's news of a Moody's triple-A rating for Depla's public sector-backed Pfandbrief issues, investors are hoping the paper will also get a top-notch rating.

INTERNATIONAL BONDS

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Table with columns: Issuer, Amount, Coupon, Price, Maturity, Fees, Spread, Book runner. Includes entries for D-MARKS, STERLING, GULDBREDS, ITALIAN LIFE, CANADIAN DOLLARS, and PSENETAS.

WORLD BOND PRICES

Table with columns: Country, Coupon, Price, Yield, etc. Includes sections for BENCHMARK GOVERNMENT BONDS, Germany, France, and UK Gilts Prices.

BOND FUTURES OPTIONS (LIFE) DM250,000 points of 100%

Table with columns: Strike Price, Call/Put, etc. Includes sections for ITALY, SPAIN, and US TREASURY BOND FUTURES (CBT).

FT-ACTUARIES FIXED INTEREST INDICES

Table with columns: Price Index, Yield, etc. Includes sections for FT/ISMA INTERNATIONAL BOND SERVICE and US DOLLAR STRATEGIES.

GILT EDGED ACTIVITY INDICES

Table with columns: Gilt Edged bargains, etc. Includes sections for CONVERSIONAL BONDS and DEUTSCHE MARK STRATEGIES.

US INTEREST RATES

Table with columns: Instrument, Rate, etc. Includes Treasury Bills and Bonds.

BOND FUTURES AND OPTIONS

Table with columns: Instrument, Price, etc. Includes sections for France and Germany.

UK GILTS PRICES

Table with columns: Instrument, Price, etc. Includes sections for Short-Term Gilts and Long-Term Gilts.

Other Fixed Interest

Table with columns: Instrument, Price, etc. Includes various international fixed interest instruments.

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CURRENCIES AND MONEY

MARKETS REPORT

Pound firm after UK interest rate cut

By Graham Bowley

Sterling held its ground against other European currencies yesterday despite a surprise quarter-point cut in the UK base rate.

It remained firm against the D-Mark but fell back against the dollar as expectations of lower interest rates across Europe again fuelled a strong rally in the US currency.

Elsewhere in Europe, the Bank of France followed the UK by cutting French official rates by a quarter point, which the market had anticipated.

The Dutch central bank also cut its special advances rate. But the Bundesbank council made no change to German interest rates after a sharp fall in the repo rate on Wednesday.

Despite the dollar's gains in Europe, it fell against the Japanese yen after data showed weak US economic growth.

The pound closed against the D-Mark at DM2.2984 from the previous close of DM2.2415.

Against the dollar, it finished at \$1.5214, from \$1.5305. Sterling's trade-weighted index closed at 83.0, slightly down from the previous session's finish of 83.2.

Yesterday's unexpected cut in the UK base rate from 8.5 per cent to 8.25 per cent was taken well by the financial markets despite some suspicion that the move was made against the wishes of the Bank of England.

Both short sterling futures and UK government bond, or gilt, futures, rallied sharply, suggesting the move had done little harm to the authorities' credibility or increased the markets' expectation of future inflation.

Analysts said the pound's

weaker tone against the dollar was due more to worries about the government's problems after talk of a "coup" against Mr John Major, the prime minister, than with the interest rate cut.

The pound also shrugged off data which showed that inflation rose last month while retail sales showed steady but subdued growth.

The dollar's recent buoyant tone continued yesterday before profit-taking in late European trading erased most of its gains against the D-Mark.

It was supported by another strong rally in the US bond market where the long bond yield moved below 6 per cent.

Mr Hatemah said the weakness of the US economy held out the prospect of another cut in US interest rates but he said there was unlikely to be any policy easing this month.

The rally in US bonds came after the series of European



Interest rate cuts and after the Philadelphia Federal Reserve Bank showed weak business activity this month. Mr Hatemah said the weakness of the US economy held out the prospect of another cut in US interest rates but he said there was unlikely to be any policy easing this month. The view among some analysts in the market is that the

dollar is now set for further gains against European currencies following supportive comments from various European central bank officials.

Few analysts however expect any significant foreign exchange developments to follow from the meeting of G7 finance ministers in Paris tomorrow.

Mr Lee Farridge, currency strategist at NatWest Markets in London, said that the current market pessimism against the D-Mark in favour of the dollar was overdue.

He said: "Although current weakness in the German economy is being seen as a reason to sell D-Marks in favour of higher yielding European currencies, this is likely to be profitable only in the short term and only against selected currencies."

The dollar finished in London at DML4665, slightly up on the previous close of DML4646. Against the yen, the dollar closed at ¥105.3, down from the

previous finish of ¥105.485.

Optimism about the Italian domestic political situation and the growing expectation of lower German interest rates boosted the Italian lira, which rallied sharply against the D-Mark.

The French franc remained broadly unchanged after the Bank of France cut its intervention rate from 4.65 per cent to 4.20 per cent.

The lira closed at L1,076 against the D-Mark, from L1,051. The franc closed at FF4.422 from FF4.416 against the D-Mark.

The Spanish peseta fell despite a sharp rally in Spanish government bonds. It ended at Ptas84.59 from Ptas84.21.

Table with 2 columns: Currency, Rate. Includes D-Mark, Swiss Franc, Japanese Yen, etc.

POUND SPOT FORWARD AGAINST THE POUND

Table showing POUND SPOT FORWARD AGAINST THE POUND with columns for currency, rate, and bank.

DOLLAR SPOT FORWARD AGAINST THE DOLLAR

Table showing DOLLAR SPOT FORWARD AGAINST THE DOLLAR with columns for currency, rate, and bank.

OTHER CURRENCIES

Table showing OTHER CURRENCIES with columns for currency, rate, and bank.

CROSS RATES AND DERIVATIVES

Table showing EXCHANGE CROSS RATES with columns for currency, rate, and bank.

EUROPEAN CURRENCY UNIT RATES

Table showing EUROPEAN CURRENCY UNIT RATES with columns for currency, rate, and bank.

UK INTEREST RATES

Table showing UK INTEREST RATES with columns for instrument, rate, and bank.

BASE LENDING RATES

Table showing BASE LENDING RATES with columns for bank, rate, and instrument.

PHILADELPHIA SE 2/8 FUTURES

Table showing PHILADELPHIA SE 2/8 FUTURES with columns for price, change, and bank.

EUROPEAN CURRENCY UNIT RATES

Table showing EUROPEAN CURRENCY UNIT RATES with columns for currency, rate, and bank.

US TREASURY BILL FUTURES

Table showing US TREASURY BILL FUTURES with columns for price, change, and bank.

MARKET-EYE

Market-Eye advertisement for futures and options trading.

24HR FOREX

24HR FOREX advertisement for currency trading.

TREND ANALYSIS LTD

TREND ANALYSIS LTD advertisement for market analysis.

WORLD INTEREST RATES

Table showing WORLD INTEREST RATES with columns for country, rate, and bank.

EURO CURRENCY INTEREST RATES

Table showing EURO CURRENCY INTEREST RATES with columns for currency, rate, and bank.

THREE MONTH BUNDIFUTURE

Table showing THREE MONTH BUNDIFUTURE with columns for price, change, and bank.

THREE MONTH BUNDIFUTURE

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Table showing THREE MONTH BUNDIFUTURE with columns for price, change, and bank.

PT Astra International

PT Astra International advertisement for convertible bonds.

BARINGS B.V.

BARINGS B.V. advertisement for floating rate notes.

BASE RATE CHANGE

BASE RATE CHANGE advertisement for Union Bank of Switzerland.

ROUGHT-RIDDER'S FUTURES MARKET DIARY

ROUGHT-RIDDER'S FUTURES MARKET DIARY advertisement.

ALCOHOLIC BEVERAGES

Table listing alcoholic beverage companies and their share prices.

BANKS, MERCHANT

Table listing banks and merchant companies and their share prices.

BANKS, RETAIL

Table listing retail banks and their share prices.

Table listing various other companies in the financial sector.

BREWERIES, PUBS & REST

Table listing breweries, pubs, and restaurants and their share prices.

Table listing various other companies.

BUILDING & CONSTRUCTION

Table listing building and construction companies and their share prices.

Table listing various other companies.

BUILDING MATS. & MERCHANTS

Table listing building materials and merchants and their share prices.

Table listing various other companies.

CHEMICALS

Table listing chemical companies and their share prices.

Table listing various other companies.

DISTRIBUTORS

Table listing distributor companies and their share prices.

Table listing various other companies.

DIVERSIFIED INDUSTRIALS

Table listing diversified industrial companies and their share prices.

Table listing various other companies.

ELECTRICITY

Table listing electricity companies and their share prices.

Table listing various other companies.

ELECTRONIC & ELECTRICAL EQPT

Table listing electronic and electrical equipment companies and their share prices.

Table listing various other companies.

ELECTRONIC & ELECTRICAL EQPT - Cont.

Continuation of electronic and electrical equipment companies.

Table listing various other companies.

ENGINEERING

Table listing engineering companies and their share prices.

Table listing various other companies.

ENGINEERING, VEHICLES

Table listing engineering and vehicle companies and their share prices.

Table listing various other companies.

EXTRACTIVE INDUSTRIES

Table listing extractive industries companies and their share prices.

Table listing various other companies.

EXTRACTIVE INDUSTRIES - Cont.

Continuation of extractive industries companies.

Table listing various other companies.

FOOD PRODUCERS

Table listing food producer companies and their share prices.

Table listing various other companies.

GAS DISTRIBUTION

Table listing gas distribution companies and their share prices.

Table listing various other companies.

HEALTH CARE

Table listing health care companies and their share prices.

Table listing various other companies.

HOUSEHOLD GOODS

Table listing household goods companies and their share prices.

Table listing various other companies.

HOUSEHOLD GOODS - Cont.

Continuation of household goods companies.

Table listing various other companies.

INSURANCE

Table listing insurance companies and their share prices.

Table listing various other companies.

INVESTMENT TRUSTS

Table listing investment trusts and their share prices.

Table listing various other companies.

INVESTMENT TRUSTS - Cont.

Continuation of investment trusts.

Table listing various other companies.

INV TRUSTS SPLIT CAPITAL

Table listing split capital investment trusts and their share prices.

Table listing various other companies.



LONDON SHARE SERVICE

INV TRUSTS SPLIT CAPITAL - Cont.

Table listing various investment trusts with columns for Name, Price, and % Change.

LEISURE & HOTELS - Cont.

Table listing leisure and hotel companies with columns for Name, Price, and % Change.

OTHER FINANCIAL - Cont.

Table listing other financial companies with columns for Name, Price, and % Change.

PROPERTY - Cont.

Table listing property companies with columns for Name, Price, and % Change.

SUPPORT SERVICES - Cont.

Table listing support services companies with columns for Name, Price, and % Change.

AIM - Cont.

Table listing companies on the AIM market with columns for Name, Price, and % Change.

OTHER INVESTMENT TRUSTS

Table listing other investment trusts with columns for Name, Price, and % Change.

OIL EXPLORATION & PRODUCTION

Table listing oil exploration and production companies with columns for Name, Price, and % Change.

INVESTMENT COMPANIES

Table listing investment companies with columns for Name, Price, and % Change.

OIL, INTEGRATED

Table listing integrated oil companies with columns for Name, Price, and % Change.

OTHER FINANCIAL

Table listing other financial companies with columns for Name, Price, and % Change.

LEISURE & HOTELS

Table listing leisure and hotel companies with columns for Name, Price, and % Change.

PAPER, PACKAGING & PRINTING

Table listing paper, packaging, and printing companies with columns for Name, Price, and % Change.

RETAILERS, FOOD

Table listing food retailers with columns for Name, Price, and % Change.

RETAILERS, GENERAL

Table listing general retailers with columns for Name, Price, and % Change.

PHARMACEUTICALS

Table listing pharmaceutical companies with columns for Name, Price, and % Change.

TELECOMMUNICATIONS

Table listing telecommunications companies with columns for Name, Price, and % Change.

TEXTILES & APPAREL

Table listing textiles and apparel companies with columns for Name, Price, and % Change.

TOBACCO

Table listing tobacco companies with columns for Name, Price, and % Change.

TRANSPORT

Table listing transport companies with columns for Name, Price, and % Change.

WATER

Table listing water companies with columns for Name, Price, and % Change.

SUPPORT SERVICES

Table listing support services companies with columns for Name, Price, and % Change.

AMERICANS

Table listing American companies with columns for Name, Price, and % Change.

CANADIANS

Table listing Canadian companies with columns for Name, Price, and % Change.

SOUTH AFRICANS

Table listing South African companies with columns for Name, Price, and % Change.

GUIDE TO LONDON SHARE SERVICE

Prizes for the London Share Service delivered by FT Data, a member of the Financial Times Group. Company classifications are based on those used for the FT-SE 100. Dividend yields are shown in pence unless otherwise stated. High and low are based on 52-week high and low prices over a rolling 52-week period. Where shares are denominated in currencies other than sterling, this is indicated after the name. Dividends are shown in pence unless otherwise stated. Market capitalisation shown is calculated as at the end of the reporting period. Share prices are calculated as at the end of the reporting period. Dividends are shown in pence unless otherwise stated. Yields are based on mid-price, are given, rounded for a dividend yield of 20 pence and after tax of 20 pence. Estimated dividend yield after paying stamp duty and other charges is shown in pence. Dividends are shown in pence unless otherwise stated. Dividends are shown in pence unless otherwise stated. Dividends are shown in pence unless otherwise stated.

GRANADA AN ANIMAL OPTION FOR FORTE Shareholder Helpline 0171 490 5200 Started from 9am to 6pm 7 days a week

PHARMACEUTICALS - Cont.

Table listing pharmaceutical companies with columns for Name, Price, and % Change.

RETAILERS, GENERAL - Cont.

Table listing general retailers with columns for Name, Price, and % Change.

PROPERTY

Table listing property companies with columns for Name, Price, and % Change.

AIM

Table listing companies on the AIM market with columns for Name, Price, and % Change.

FT Free Annual Reports Service

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FT MANAGED FUNDS SERVICE

FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4376 for more details.

Main table containing various fund categories: Global Investment Funds, Monetary Trust SICAV, International Assurance Ltd - Capital, Royal Life International - Capital, Cheong Cheong Investment Company Ltd, Global Asset Management - Capital, Magellan Emerging Mkts Mgt (January) Ltd, Republic Funds, and OFFSHORE INSURANCES. Each entry includes fund name, price, and change.

MANAGED FUNDS NOTES
Prices are in sterling unless otherwise indicated and have
been rounded to two decimal places in U.S. dollars.

LONDON STOCK EXCHANGE

MARKET REPORT

Interest rate cut helps Footsie to all-time record

By Steve Thompson, UK Stock Market Editor

News of a 25 basis point reduction in UK interest rates caught many marketmakers on the wrong foot and produced another power-packed performance by the UK equity market.

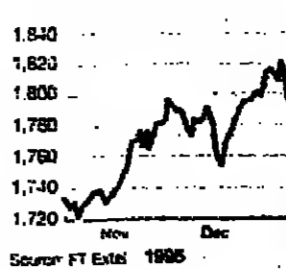
ing out that the market had expected a 50 basis point cut in December when the chancellor sanctioned a 25 basis point reduction. "Mr Clarke has been cautious and has been proved right," said Mr Semple.

gained 232.6 to 4,668.2. Leading marketmakers said they saw further upside in share prices in the short term, in the wake of the rate cut, with FT-SE 3,800 a distinct possibility. Admitting that the market had been caught out earlier in the week, one senior trader said there was still plenty of momentum in the market, despite the constant political worries.

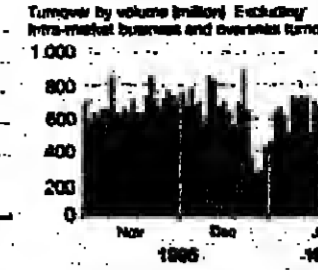
the FT-SE index options which could produce plenty of fireworks. Two of the big market operators, Goldman Sachs and UBS, were seen to be aggressive buyers of index options late yesterday. Dealers reported at least two big programme trades in the market, both heavily weighted on the buy side.

gradual improvement by Wall Street when that market opened for business. The Dow Jones Industrial Average was up almost 30 points; ninety minutes after London closed, and apparently untroubled by the recent poor numbers from Intel and the profit warnings from Wal-Mart and 3M. Bank shares built on recent gains, helped by the scintillating fourth quarter numbers from leading US banks and buy notes from leading London brokers.

FT-SE-A All-Share Index



Equity volume traded



Indices and ratios

Table with 2 columns: Index Name and Value. Includes FT-SE 100 (3748.7), FT-SE Mid 250 (4098.2), FT-SE A 350 (4668.2), FT-SE All-Share (4668.2), and FT-SE-A All-Share yield (3.72).

Best performing sectors

Table with 2 columns: Sector and Change. Top performers include Banks, Retail (+2.7), Life Assurance (+1.8), and Tobacco (+1.7).

Broker boost for BAE

British Aerospace sparked after one agency broker reiterated its buy stance on the stock and presented a heavy valuation for the group.

finished 3 ahead at 69p on volume of 8m, with dealers continuing to suggest the tide was still moving in Granada's favour.

December 1989 by £10m to around £575m (which includes total charges of around £84m) and by £20m for the current year to about £88m.

additional lift from news that it has entered the Singapore transit shelter advertising market. The shares ended 14 higher at 53p.

to 401p, while Unichem was also in demand and raced 19p ahead to 252p.

FUTURES AND OPTIONS

Table with 2 columns: Index Name and Value. Includes FT-SE 100 INDEX FUTURES (3748.7) and FT-SE MID 250 INDEX FUTURES (4098.2).

Table with 2 columns: Index Name and Value. Includes FT-SE 100 INDEX OPTION (3748.7) and EURO STYLE FT-SE 100 INDEX OPTION (3748.7).

MARKET REPORTERS

Peter John, Joel Kibazo.

Power disappoints

Scottish Power slipped 3 to 384p as hopes of a boost in the dividend were dashed at the company presentation.

Utilities, United rose 17 to 588p, Swalec 18 to 847p and Welsh 5 to 745p.

Independent television groups jumped as takeover talk returned. The Broadcasting Bill, which proposes restricting ownership on the grounds of advertising rather than regions went before the House of Commons on Tuesday.

Enterprise Oil moved up 10 to 390p as Robert Fleming Securities issued a positive recommendation.

Management defections at the direct marketing arm of GGT left the shares of the advertising and marketing services group down 1p at 211p.

MARKET REPORTERS

Peter John, Joel Kibazo.

TRADING VOLUME

Table with 2 columns: Stock Name and Volume. Lists major stocks and their trading volumes.

On the other hand, the cost cutting enthusiasm prompted by the United Utilities - for contracts for Tornado and Hawk aircraft with associated support services.

Analysts downgraded profit estimates for the year to 1990. Ordinary share buyback estimates for 1990.

Table with 2 columns: Index Name and Value. Includes FINANCIAL TIMES EQUITY INDICES and LONDON MARKET DATA.

Retailer Lloyds Chemists was once again the best performer in the FT-SE Mid 250 index after confirming that it had agreed a £51m bid from its rival Unichem. Shares in Lloyds forged ahead another 3p.

Table with 2 columns: Index Name and Value. Includes FT GOLD MINES INDEX and FT-SE Actuarial Share Indices.

FT GOLD MINES INDEX

Table with 2 columns: Index Name and Value. Includes Gold Mines Index (2191.56) and Regional Indices.

MARKET REPORTERS

Peter John, Joel Kibazo.

Shares in Granada Group, currently bidding for Forte,

concerns surrounding United

concerns surrounding United

concerns surrounding United

concerns surrounding United

concerns surrounding United

MARKET REPORTERS

Peter John, Joel Kibazo.

JCI Limited advertisement. Includes company logo, registration number, and financial data for Randfontein Estates and Western Areas divisions.

THE RIGHT BUSINESS INFORMATION advertisement. Features an image of a hand holding a magnifying glass over a globe and text describing the service.

FT-SE Actuarial Share Indices and UK Series advertisement. Includes detailed tables of actuarial data and UK series information.

Hourly movements and FT-SE Actuarial 350 Industry baskets advertisement. Includes tables of hourly movements and industry basket data.

OFFSHORE COMPANIES advertisement. Lists various offshore companies and their contact information.

THE TAX FREE WAY TO PLAY THE MARKETS advertisement. Promotes tax-free investment opportunities.

FINANCIAL TIMES Information advertisement. Provides contact information for the Financial Times.

Additional financial data and market information advertisement. Includes various market statistics and company data.

WORLD STOCK MARKETS

EUROPE

Table with columns for country, stock index, and price changes. Includes entries for Austria, Belgium, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden, Switzerland, and the UK.

Table for Germany (Jan 18 / Dm) listing various stock indices and their values.

Table for France (Jan 18 / Frs) listing various stock indices and their values.

Table for Italy (Jan 18 / Lit) listing various stock indices and their values.

Table for Spain (Jan 18 / Ptas) listing various stock indices and their values.

Table for Greece (Jan 18 / Dr) listing various stock indices and their values.

Table for Ireland (Jan 18 / Ir£) listing various stock indices and their values.

Table for Portugal (Jan 18 / Escudo) listing various stock indices and their values.

Table for Sweden (Jan 18 / Krona) listing various stock indices and their values.

Table for Switzerland (Jan 18 / Franc) listing various stock indices and their values.

Table for the UK (Jan 18 / £) listing various stock indices and their values.

Table for Austria (Jan 18 / Sch) listing various stock indices and their values.

Table for Belgium (Jan 18 / Bfr) listing various stock indices and their values.

Table for Luxembourg (Jan 18 / Ffr) listing various stock indices and their values.

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Table for the UK (Jan 18 / £) listing various stock indices and their values.

Rockwell supplies virtually every European car manufacturer with automotive components and systems. Includes Rockwell logo and contact information.

INDICES

Table of stock indices for various countries including Argentina, Australia, Canada, France, Germany, Greece, Ireland, Italy, Japan, Korea, Malaysia, Mexico, New Zealand, Norway, Singapore, South Africa, South Korea, Sweden, Switzerland, Taiwan, Thailand, UK, and USA.

US INDICES

Table of US stock indices including Dow Jones, S&P 500, NYSE, and NASDAQ, along with market activity and trading statistics.

AFRICA

Table of stock indices for African countries including South Africa, Egypt, and others.

ASIA

Table of stock indices for Asian countries including Hong Kong, India, Indonesia, Korea, Malaysia, Singapore, Taiwan, Thailand, and the Philippines.

INDEX FUTURES table showing prices and changes for various indices.

Table showing market activity and trading statistics for various regions.

Table showing market activity and trading statistics for the US.

Table showing market activity and trading statistics for Asia.

Table showing market activity and trading statistics for Africa.

Footnote and disclaimer text at the bottom of the page regarding data accuracy and copyright.

4 pm close January 18

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Main table containing stock prices, organized into columns with headers like 'High', 'Low', 'Open', 'Close', 'Change', and 'Volume'. Includes sub-sections for 'D', 'E', 'F', 'G', 'H', 'I', 'J', 'K', 'L', 'M', 'N', 'O', 'P', 'Q', 'R', 'S', 'T', 'U', 'V', 'W', 'X', 'Y', 'Z'.

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Continued on next page

NYSE COMPOSITE PRICES

Table of NYSE Composite Prices listing various stocks with columns for stock name, price, change, and volume.

NASDAQ NATIONAL MARKET

Table of NASDAQ National Market listing various stocks with columns for stock name, price, change, and volume.

AMEX COMPOSITE PRICES

Table of AMEX Composite Prices listing various stocks with columns for stock name, price, change, and volume.

Advertisement for The Netherlands, featuring the text 'Have your FT hand delivered in The Netherlands' and contact information for Financial Times.

Continuation of the NASDAQ National Market table from the previous page, listing additional stocks and their market data.

